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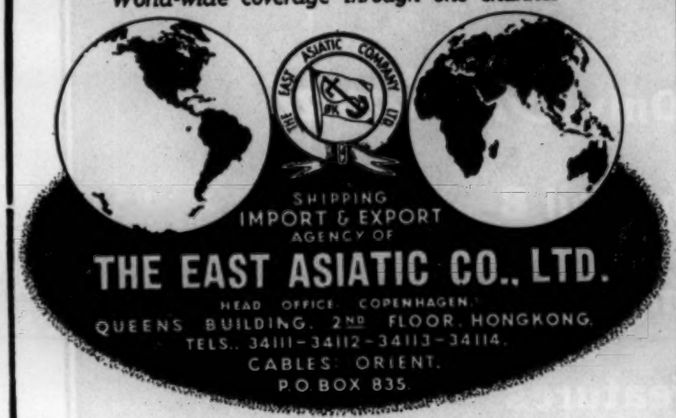

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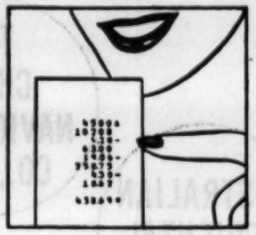

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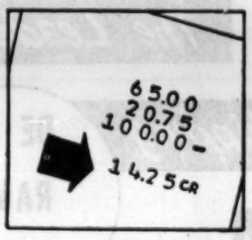

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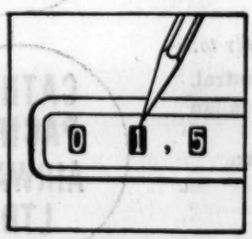

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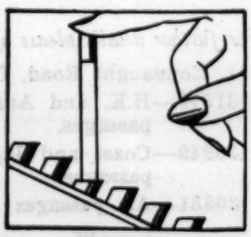

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FAR EASTERN
ECONOMIC REVIEW

Vol. XV **Hongkong, October 1, 1953** **No. 14**

CONTENTS

EDITORIALS

The Rehabilitation of Korea 421
Britain's Economic Outlook 422
Survey of China's Economic Position 423
NOTES OF THE WEEK 425

ARTICLES

Foodstuffs, Raw Materials & Industrial Production in the Far East in 1952 427
Centenary of Indian Railways .. 439
Japanese Economic Reports 440

HONGKONG

Manufactured Goods (Aug.) 443
Statistical Reports (July) 444
Shipping (Jan.-July) 445
Imports & Exports of Selected Commodities (Jan.-June) 446
Industrial Report (Aug.) 447

FINANCE & COMMERCE

Hongkong Commodity Markets; Imports into Thailand under Certificate of Origin; Hongkong Company Incorporations; Hongkong Trade Enquiries; Trade Fairs 447

THE REHABILITATION OF KOREA

Even without the use of the atom bomb, the destruction wrought by modern methods of warfare is horrifying. This cannot be emphasised too often; and what it means has once again been made clear in the picture of a stricken Korea endeavouring to rehabilitate itself now that the actual fighting has ceased. North Korea, invading the South so light-heartedly with the approval of Moscow and supported by "volunteers" from China, has learned the bitter lesson that war never pays.

The cost of rehabilitation of even so small a country as Korea, which before the war possessed a population of not more than 20 million, runs into a considerable amount. Altogether the equivalent of US$1,050 million is being contributed for the purpose to South and North Korea by the United Nations and the USSR, and it is possible that more may be required.

Of the total mentioned, Moscow is sending to North Korea 1,000 million roubles (US$250 million) and any further sums necessary will be contributed by the satellite states, including presumably China although this country is not specifically mentioned.

To South Korea the United Nations has granted an amount of US$800 million, which includes $775 million from the United States. Already $600 million of this sum has been sent to Seoul, enabling the government to embark upon the task of reconstruction without delay. In addition, American individuals and private organisations, always generously ready to help in time of need, have despatched to South Korea for distribution millions of dollars' worth of clothing, food and other necessities.

South Korea undoubtedly is in a far better position than the North where aid is concerned. Not only is the amount granted for rehabilitation far in excess of that allowed by Moscow for North Korea, but whereas the South has already been able to make a start in rebuilding Seoul, where the government is now back in residence, the North has not yet been able to make much if any headway where Pyongyang is concerned, although this town has been far more heavily damaged than Seoul. The South Koreans not only have the best of the bargain in respect to speed in reconstruction, but they also gain in being left free to embark upon such parts of their plan as are considered the most important in building up the morale of the country. It is indeed fortunate for them that they are supported in this by the free democracies, instead of being obliged to rely upon the communist states.

The manner in which the latter dictate to those whom they are helping is made clear in the example of North Korea.

As a preliminary, in his speech of welcome at a banquet given in honour of a delegation despatched to Moscow by the North Korean Government, Mr. Georgi Malenkov the Soviet Premier referred to "the full opportunities for peaceful economic links" between the Soviet Union and the peoples of Asia. He also pointed out that "the indestructible friendship of the peace-loving Soviet Union and the peace-loving Chinese People's Republic serves as a mighty bulwark of peace"; and he continued "that is why this friendship is acclaimed by all nations who consider it to be one of the primary conditions for strengthening peace between the nations."

In his reply, Marshall Kim Il Sung the North Korean Premier said:

> "The most urgent tasks facing us today are to restore and develop our national economy, devastated

> by the war, and to improve the material well-being of our people.
>
> "These tasks are, of course, great and difficult. But there is no doubt that Korea, with the brotherly help of the Soviet Union, the Chinese People's Republic and the People's Democracies, will fulfil them just as they have triumphed in the struggle with their enemies at home and abroad."

Marshall Kim Il Sung correctly estimated the "great and difficult" tasks confronting North Korea. Whether, however, the amount guaranteed by Moscow will be sufficient to "improve the material well-being" of the people he did not say. It is in fact very much open to doubt. Pyongyang the capital is a heap of rubble, according to returned prisoners of war; trade has been reduced to nothing; industry or what there was of it, it has always been on somewhat primitive lines, has been brought to a standstill; agriculture has been reduced to a minimum. Apart from what to do, where to start must in itself form a large question-mark.

However, a start must obviously be made somewhere, and as a commencement Pyongyang will be rebuilt. That is understandable; but the rest is not so evident, beyond the fact that Moscow does not intend to leave North Korea free to decide but is determined to make the country's reconstruction follow the pattern set for all the satellite states of the Soviet Union. This stands out all too clearly, and North Korea has no option but to follow meekly in the path outlined by the Kremlin.

According to the detailed description published of the use to which the Russian fund will be put, emphasis will be placed upon the development of heavy industries, such as cement factories, metallurgical plants, and railways, as well as rebuilding the hydro-electric station on the Yalu River which forms the main source for the supply of electricity to most of Manchuria. From this blue-print it appears that the actual needs of the population for housing and agricultural development will take a secondary place, except where they fit into the "economic link" with the Soviet Union mentioned by Mr. Malenkov. North Korea's role as another "feeder" for the requirements of the Kremlin is well defined. To enable the rather backward North Koreans to fill this role Moscow has agreed, apart from the monetary contribution, to provide equipment and Russian technicians as well as "easy" credit terms. In addition, consumer goods will be despatched to North Korea and designers and experts will be provided to train the people for the work they are expected to accomplish.

This is the manner in which Moscow, to refer to Mr. Malenkov again, is assisting in the "progressive movement of the Asian peoples towards national freedom and independence.

BRITAIN'S ECONOMIC OUTLOOK

By Ernest Atkinson

Britain's industry, according to reliable current indications, has the capacity to produce some ten per cent more, overall, than it is producing at present. The figures would vary between one industry and another. But the capacity to expand, and that pretty quickly, is there.

That is not to say that there is any sagging or weakness in the economy. On the contrary. The fact is that the considerable additions to Britain's productive capacity made during the past two or three years are now in a position to pay dividends.

In both public and private sectors of the economy, a great deal of money, material and effort has gone into capital investment, and, at the same time, there has been a good deal of technical advance, making for greater efficiency.

In addition to investment of the existing resources of industry, the years 1950, 1951, and 1952 saw considerable capital issues in the United Kingdom, most of which went to making British industry more capable. In those three years, there was something approaching £1,000 million of new capital issues by private industry.

The highest proportion of the money, leaving aside nationalised industries and such like, went into the chemicals and allied trades, engineering, shipbuilding and electrical goods industries, and there were noteworthy amounts also put into textiles, vehicles and metal manufactures, as well as into the group covering food, drink and tobacco.

Industrial production is expanding. To say that in the first half of 1953 industrial production was four per cent higher than it was a year earlier means only that there had been that much improvement on an indifferent year. The notable fact is that for six months production was running higher, if only a little higher, than in the next earliest really good year, 1951. Home demand, which in Britain's present situation is the less desirable kind of demand, was responsible largely for the recovery, but exports accounted for a useful part of it.

The rise in production came to a large extent from better use of existing resources or, to put it shortly, greater efficiency and there has been a slight increase in the number of people at work. Export figures of July, with their specially poor showing for the United States, were an evidence

of how well the country could do; and, contrary to some impressions, it seems that the industries that have been able to increase the volume of their exports or which have been engaged on defence work, still taking in a rising proportion of the country's economic effort, have been able in general to get the manpower they needed, though indeed there has been here and there some shortage of specially skilled workers.

The danger for Britain is in the attraction of the home market for the increased production. One can see increases in the amount of goods going to the domestic markets: to take only the first column that happens to catch one's eye in the monthly digest of statistics, the proportion of domestic refrigerating machinery going to the home market in the second quarter of this year rose considerably (whilst the volume of exports also expanded).

Again there has been an increase in the number of passenger cars and chassis remaining for the home market (although here too exports have been increasing very usefully) and the food and household goods industries have expanded.

None of this, in authoritative judgement, adds up to any over buoyant demand at home and so the view can be fairly taken that there is no evidence of an untimely inflation at home, certainly nothing that can actually deflect attention from the really important task of expanding exports, and the capacity in any case is there to take care not only of a healthy internal demand but also of considerable increased production for export.

As its duty demands, the Treasury has lately been setting out to tell manufacturers and traders where, abroad, they can do more trade. To start with, it finds that in the whole of North America, more business can be done. Certainly Britain has been doing well there this summer. But more is possible, and that without waiting for measures to reduce tariffs and liberalise import practices that will certainly be a long time in coming to any significant degree.

The Treasury urges exporters to go for the dollar countries of Latin America—Venezuela, Colombia, the Dominican Republic, Cuba and Mexico—where there could be a great deal of improvement. Then it points to the oil prosperous countries of the Middle East, where, of course, British exporters already have a useful proportion of the trade.

And there are the Western European countries belonging to the organisation for European Economic Cooperation: the Benelux Group, Western Germany, Italy and the Scandinavias, and Portugal, that have liberalised their trade. And besides offering exportation, the Government has encouraged certain administrative changes to help exports.

All in all, the picture is reasonably good, and justifies the optimistic accounts of the British economy that have lately been coming from the United States and other points abroad.

Internal dangers arise from possible wage increases not matched by increased production. There are some formidable claims now forwarded, but they may take some time to develop fully. The external dangers arise from the ability of the export markets to absorb all the sterling goods that Britain would like to sell and, a thought always in the background, the state of the United States economy.

But, making allowances for all these dangers, the British economy just now is in a sufficiently promising state and one can be bullish about its prospects.

SURVEY OF CHINA'S ECONOMIC POSITION

In his report to the Central People's Government Council on September 15, Vice-Chairman Li Fu-chun of the Committee of Financial and Economic Affairs gave a detailed account of the tasks and policies of China's first five-year construction plan, the results of the negotiations with the Soviet Government and the tasks for the immediate present. The fundamental tasks for the first five-year construction plan were: (1) to concentrate the main strength on developing heavy industry, and lay the foundations of the industrialization of the country and the modernization of the national defences; (2) correspondingly to train construction personnel, develop transport and communications, light industry, and agriculture, and expand commerce; (3) step by step to promote co-operatives in agriculture and handicrafts and (4) to reform privately-owned industry and commerce and stimulate individual agricultural economy, handicrafts, and privately-owned industry and commerce to play their proper role. All this would serve to ensure a steady increase in the Socialist sector of national economy, and the gradual raising of the level of the people's material and cultural life on the basis of developed production.

The basic line in economic development must be the constant increase of the Socialist sector of economy in economic construction. The initiative of capitalist economy must nevertheless be properly utilised. The alliance between workers and peasants must be further consolidated. The role played by the existing industrial bases must be further developed and the building of new industrial bases must be started. On the basis of the

development of production, the level of material and cultural life of the people must be raised step by step. "This is the aim of our national construction and concrete provisions must be laid down in line with the possibilities when working out the plan. Certain reserves must be maintained for the first five-year construction plan so as to ensure its fulfilment, and prepare conditions for the second five-year construction."

Referring to the results of negotiations with the Soviet Government, Mr. Li Fu-chun stated that the Soviet Government agreed to satisfy China's requirements and decided to give "long-term, full-scale and massive aid" for China's economic construction. Adding to the enterprises designed with Soviet help in the past three years, the Soviet Government will, up to 1959, assist China in building and renovating 141 large-scale projects, including steel and iron combine enterprises, non-ferrous metallurgical enterprises, coal mines, oil refineries, machinery-building plants, automobile factories, tractor manufacturing factories, power stations and others. "When these enterprises are set up," he said, "the industrial productivity of the country will increase considerably. By that time China will become a country which has its own independent industry and our industrialization will secure a stable foundation."

Soviet assistance in the building up of Chinese State enterprises would range from the selection of locations of factories, collection of basic data for designs, the supply of equipment, right up to the manufacturing of new products. The assistance, some would have said "direction," is given "from the very beginning to the end in all respects" (almost as if the Soviet were building their own industries with the aid of Chinese labour).

"In order to assure the operation of the newly-built and renovated enterprises and to help us in training technical personnel," the Vice-Premier said, "the Soviet Government arranged for China to send workers and technical personnel for the newly-built factories to similar enterprises in the Soviet Union so as to undergo technical training in their specialized fields; and to send experts in various fields to China. The aid that the Soviet Union has given and that it will give to the economic construction of our country gives full expression to the great spirit of internationalism of the Socialist country. For whatever is necessary, or is possible, and beyond our strength alone, the Soviet Government has fully satisfied our needs. And what is more, it has also added new projects which we should have but failed to take into consideration."

Speaking on the work to be done in the first year of China's planned construction, Mr Li Fu-chun emphasised that it is necessary to set in motion and organise the people of all China to strive to increase production, carry out capital construction efficiently, practise economy and strive to overfulfil this year's plan. In addition, for her long-range construction, China must work out the programme of the five-year plan by taking the enterprises which the Soviet Union helps China to build and renovate as the backbone and, taking into account of the law of proportionate development of national economy, must exert maximum effort to train up, in a planned way, cadres for construction purposes and learn conscientiously from advanced Soviet experience and Soviet scientific technique.

In conclusion, the Vice-Chairman pointed out that a weighty and glorious task lies before the people of the whole of China and all the cadres to materialise the great ideal of industrialisation of the country. He said that while recognising the difficulties in the work, these difficulties are part of the course of development and can be surmounted.

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NOTES OF THE WEEK

GREAT BRITAIN'S AID UNDER THE COLOMBO PLAN

That Great Britain has taken seriously her obligations under the Colombo Plan is shown in a recent report by the British Treasury. It seems that nearly one-half of the supplies of metal and engineering goods which have gone into the Colombo Plan countries of South and Southeast Asia have been supplied by the United Kingdom. Even as early as 1951, a large part of British exports went to help in the sorely-needed development of the Colombo Plan area.

They included 12% of Britain's exports of all kinds, 13% of her iron and steel exports and 16% of her exports of machinery. It is these goods, and the various metals that go into them, which are so much in demand just now. Britain needs to export more of them to the dollar countries and to other places outside the Sterling Area.

"Because of the needs of the defence programme and the shortage of steel, we have far fewer of these manufactures than we would like," the report continues. "We are also trying to do with fewer of these things at home, at the expense of our own future standard of living, but a big share of our total exports will probably continue to go out to the Colombo Plan countries."

World prices of raw materials shot up during 1950 and early 1951, and this meant larger incomes for the Colombo Plan countries. For a time, therefore, they were able to finance more of their own development than had been originally expected. After 1951, however, world prices fell and finance again became a problem.

The 1950 Report on the Plan estimated the cost of all the programmes at about £1,868 million, of which £250 million could come from the sterling balances and £834 million would have to be found outside the Colombo Plan countries.

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GERMAN CONSULATE IN HONGKONG

That a new day has dawned for Germany in relation to other nations is shown by the fact that a consulate has now been opened by the Federal Republic of Germany in Hongkong.

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HONGKONG & THE WORLD FEDERATION OF UNITED NATIONS ASSOCIATIONS

At the Eighth Plenary Session of the World Federation of United Nations Association (WFUNA) held in Paris Sept. 7-13, Hongkong was unanimously admitted to membership.

In his speech of acknowledgement, a service was rendered to the Colony by Professor E. Stuart Kirby of the University of Hongkong in correcting a misapprehension over the importance of the Colony as a world entity. Referring to the expression used by the President of the Assembly, Professor R. Ago of Italy, in calling Hongkong a small and distant corner of the world, of which the Assembly had little knowledge, Prof. Kirby rightly pointed out that the Colony, on the contrary, was an important entity, equal in population and civic and economic significance to some of the countries represented at the Assembly. Hongkong was one of the world's main airports, maritime ports, civic centres, trading and industrial units, and points of communication.

Prof. Kirby referred to the Colony's vast refugee problem, and its great significance in the fields of economic and social development, as well as its political problems, to show its very great importance in every single aspect of the work of the United Nations.

The importance of the World Federation of UN Associations is shown in the fact that the Conference was to have been opened by the President of the French Republic had the cabinet crisis in France not interfered. His deputy, however, was M. Maurice Schumann, Secretary of State in the French Ministry of Foreign Affairs.

The World Federation of United Nations Associations, as the responsible but unofficial organisation representing solid public movements in so many countries in favour of the study and understanding of all the problems facing the United Nations Organisation, is one of the most important forums for public opinion in the democratic world. As a body with Consultant Status in the UNO itself, its opinions and proceedings carry considerable weight.

Membership in the WFUNA consists of 26 countries which are full members and 9 countries which are associate members. At the Conference were also 6 non-member countries attending as observers, 23 principal non-governmental organisations on the international plane, and about 25 representatives of the UN secretariat and specialised agencies.

As Prof. Kirby found, despite the goodwill so genuinely manifested, ignorance was displayed at the Conference about Hongkong in particular and to some extent about the Far East as a whole; and the same ignorance has too often characterised international dealings with this part of the world. It is therefore fortunate that he was in a position to elucidate for the Assembly some of the problems encountered in the Colony and to show their intimate connection with the world problems handled by the UN.

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STREET NAME PLATES IN HONGKONG

To rehabilitate a city such as Hongkong after the destruction wrought in the course of the last war is a lengthy business and even now, several years after its termination, many details still demand attention although deficiencies are being made good as rapidly as possible.

One matter for attention has been the need for street name plates which had been removed or lost during the Occupation, and which Government has been steadily replacing since the liberation of the Colony.

About 300 such plates were erected by the Roads Office of the Public Works Dept. last year and tenders are now called for in respect to another 300 cast-iron plates to be shortly erected. When completed, the number of the Colony's streets which at present bear no name plates or have insufficient means of identification will be considerably reduced.

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CO-OPERATIVES ASSAILED FOR MISMANAGEMENT

The co-operatives have not escaped the deluge of criticism which has descended in recent months in China on practically all State-owned or operated enterprises, both industrial and commercial. The All-China Federation of Co-operatives had to send out working teams to inspect the warehouses of the No. 1 Wholesale Bureau's wholesale centres at Shanghai, Hankow, Mukden and Sian, and its

South-west Marketing Department's warehouses. From the reports on these inspections, owing to poor management, commodities had become rotten and over-stocked. The commodities stocked totalled 236,460 million yuan in the four cities, and of this nearly 23% constituted over-stocking, due not to the goods being unmarketable but to the fact they were purchased in the wrong season.

Business departments are entirely detached from the warehouses, which produced serious problems. Indeed, in Shanghai and in various degrees in the other places, the various marketing, purchasing, accounting, and storing departments operate independently and proper co-ordination is lacking. The business departments therefore are not fully in touch with conditions of stock in the warehouses and of goods purchased and marketed. They have no idea as to sales and the safe-keeping of commodities, which are either over-stocked or out of stock. They cannot find the rate of deterioration of commodities during period of storage, nor discover who is responsible for the excessive rate of deterioration or pilfering in the warehouses.

Accounts have not corresponded with transactions, cadres lacked a sense of responsibility and the system of storing and releasing commodities has been very unsatisfactory. A whole list of slip-shod methods and even malpractices was exposed by the working parties, though the warehouse in Mukden which obliged friends by loaning travelling bags at will and took them back without demur, showed indulgence worthy of a better cause. Warehouses were allowed to become terribly dirty; commodities were often not packed, urns not covered and packages not sealed. Commodities were covered in layers of dust, including good towels, suits of clothes and white shirts. Barrels of lard and barrels of honey were not sealed or leaky. Commodities were not classified but stored in disorder and many commodities of the same kind were scattered in several places. In a Hankow warehouse cotton yarn, cotton cloth and cement were put together, and formed a mixture of an unknown kind.

As large quantities of commodities were "compressed, thrust aside, piled up and added to," the commodities last stored were the first to be taken out. The commodities below deteriorated and became unsaleable. In a warehouse of the South-west marketing department, nearly 20,000 umbrellas were stored so long that they got stuck and could not be opened. Thousands of bolts of blue cloth in the Shanghai wholesale centre were allowed to fade completely.

The commodities which became mouldy and rotten or unsaleable because of these conditions amounted to a large sum: 1,406 million, including 958 million yuan in Shanghai. Many of the over-stocked goods, such as undershirts and men's socks, were often sought by buyers but they were turned away. Over-stocking not only locked up much capital but created huge losses in overheads. Interest on the total over-stocked commodities in the Shanghai wholesale centre alone amounted to 3,815 million yuan. Other expenses, including storage charges, insurance, and management costs, were also considerable. These conditions, said the official Communist expose, reflect serious bureaucratism which in turn reflects on the political backwardness of the existing leadership in ideology and a lack of responsibility among the persons employed in the wholesale centres.

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JAPANESE TRADE WITH COMMUNIST CHINA

The Japanese Ministry of Trade announced under date of Sept. 15 the removal of eleven new items from the embargo list for trade with Communist China.

The 11 items, which may now be exported to mainland China, are caustic soda and soda ash, ammonium sulphate, sulphamines, antibiotics, pigments including titanium oxide and titanium pigments, compound paints, leather and rubber belts, electric bulbs, metal nets, microscopes and parts, and motion picture projectors and parts.

Caustic soda ash, microscopes, sulphamines and antibiotics are items whose export to Communist China could be started soon. Unfortunately, however, no surplus ammonium sulphate seems available for export to mainland China.

According to a survey conducted by the Ministry of Trade & Industry, Japan's exports to mainland China amounted to around US$3.2 million during the period Jan.-July 1953. This represents a considerable increase over the amount of $600,000 for the whole of 1952. With the embargo lifted on the eleven items named, it is hoped that trade will increase still further to $10 million for 1953.

Formerly trade with China represented 30% of Japan's foreign trade, but as a result of the embargo it fell to not more than 4% of the total.

The Japanese Government is negotiating with the United States for approval in regard to lifting the embargo on nine more categories, including galvanized iron sheets.

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DEFECTIVE JAPANESE SHIPMENTS TO SINGAPORE

It seems that some Japanese manufacturers, not having learned a lesson from the past, are allowing themselves to slip back into the old habit which made them suspect in prewar years of shipping goods not up to sample. Complaints are growing among Singapore businessmen that recent shipments of galvanised iron sheets received from Japan are defective, and the Chinese Chamber of Commerce has taken the matter up with the Japanese Consulate-General with the request that a satisfactory settlement be made and that the Japanese Government should take steps to prevent the practice in future of despatching material below standard.

The Singapore authorities have also taken up the matter, and have issued a warning that Japanese trade with that Colony may be seriously affected if defective material continues to arrive.

Japanese merchants in staging a comeback in trade would do well to bear in mind that with a certain amount of prejudice to live down in world markets, it is particularly important that importers should be able to rely upon the quality of the goods delivered.

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ROADMAKING IN MALAYA

A new road 29 miles long, which allows vehicles to travel the whole way at 60 m.p.h., has now been completed in Malaya. It joins the towns of Temerloh and Maran in Pahang and shortens the distance between Kuala Lumpur and Kuantan on the east coast by 77 miles.

Constructing the road has been far from easy, and General Templer, referring to the magnitude of the task, has described it as "a feat of engineering and a feat of endurance."

FOODSTUFFS, RAW MATERIALS AND INDUSTRIAL PRODUCTION IN THE FAR EAST IN 1952

Foodstuffs

Production

Production of foodstuffs in the Far East continued to increase during 1951/52, when it reached a postwar peak and was slightly above the pre-war level. Output per head of population, however, was still below pre-war, and has been decreasing since 1949/50 if one excludes China.

For food crops, substantial gains in 1951/52 over previous years were registered for wheat, coarse grains, potatoes and root crops. Significant increases in output of wheat took place in India and Japan; of maize in India, Indonesia and the Philippines; and of barley in India, Japan and Korea (south). Although rice output increased in Burma, China, Indonesia and Thailand, decreases were recorded in Japan, Korea (south), Malaya and Pakistan.

In spite of an increase in the production of agricultural raw materials following the Korean war boom, food production in certain countries, including mainland China, was either maintained or was increased by more intensive use of agricultural resources and labour; for example, an indication of this is the increased consumption of fertilizers in the region. Thus the production of non-food crops including fibres and rubber in the region increased by 5 per cent over 1950/51 and by 21 per cent over 1949/50, while food output increased only slightly. In Pakistan and India, jute acreage expanded by two fifths between 1950/51 and 1951/52, whereas rice acreage declined slightly and wheat acreage remained virtually unchanged. In Indonesia, rubber production increased by 16 per cent and rice production by 8 per cent.

During 1951/52, price relationships between food and non-food crops were undergoing a further change. Jute prices dropped rapidly with increased supply at the beginning of the season, then receded further during the first five months of 1952. Rubber prices in June 1952 were at their lowest level since the outbreak of the Korean war—a decline of about 50 per cent from the peak in February 1951 but still far above the pre-Korean war levels. World market prices of most oils and oilseeds had declined materially from the high level reached around March 1951, although by May and June 1952 prices began to recover. On the other hand, throughout most of 1951/52, prices of rice, wheat, other food grains and sugar were generally steady or increasing, although recently some grain prices declined on account of the larger crop prospect in the United States. In several countries, prices paid to producers of rice and other food grains were raised in order to provide incentives for increased food production. India allowed a 3 per cent increase for rice at the beginning of 1952, thus raising the price to $94 per ton. In the three States of Indochina the price of rice at Saigon rose by 40 per cent between March 1951 and March 1952 to $139 per ton, whilst Japan in September 1952 raised the price of paddy to internal producers from $134 to $143 per ton. The Ceylon government increased the guaranteed price of rice from Rs. 9 to Rs. 12 per bushel in the third quarter of 1951. In most rice exporting countries the internal procurement price is controlled and has remained nominally unchanged.

The present price relationships and the great efforts that are being made to expand food production make it likely that with favourable weather conditions, food production in 1952/53 will exceed that of 1951/52.

Trade

Although exports of foodstuffs from countries in the region continued to increase during 1951/52, they were still only 44 per cent in volume of pre-war level, mainly because of the slow recovery of rice production. Imports of foodstuffs into the region increased sharply in 1951/52 and almost reached the pre-war level. The region continued to be a net importer of foodstuffs.

The region continued to be a net exporter of aromatic crops and in 1951/52 the volume of net export exceeded the prewar level. Significant increases took place in 1951/52 in exports of tea from India and Indonesia, and of tobacco from India and the Philippines.

Although the disappointing output of rice in some of the main importing countries is intensifying the demand for rice in world markets, trade in rice has not expanded significantly in 1952. Of the main exporters, Thailand is pursuing a cautious policy and has reduced its official estimate of available supplies. Burma's liberal shipments in 1951 reduced its carry-over considerably, so that this year's increased crop may not be reflected in larger shipments. Pakistan has announced that it will have no exportable surplus, but is exchanging some rice for wheat from India; nor can Egypt be depended upon for supplies. The sustained large output in Europe and North America will thus be doubly welcome. The United States and Italy are expected to increase their exports, and Spain and Portugal have recently joined the rank of exporters, if only on a modest scale. An unknown factor on the supply side is the extent of exports from the mainland of China in the second half of 1952.

The main increases in demand for rice have come from Japan and Indonesia; the Philippines have raised their import requirements by 35 per cent. Indian needs remain high, although unevenly distributed, for in some rice districts the monsoon has failed for the fifth consecutive year. Although the rise in purchasing power has been checked in Ceylon, Indonesia and Malaya by the sharp fall in the prices of their main export products, their effective demand for rice has not, so far, shown any sign of falling.

The price of rice in international trade has continued to rise and the price differential between rice and wheat has widened. Under these conditions rice consuming countries, in the region and elsewhere, took up their full wheat quota under the international wheat agreement and total exports of wheat and wheat flour to 10 Far Eastern countries from Argentina, Australia, Canada and the United States continued to increase during the first half of 1952 to an annual rate almost double that of 1950. India's increase in imports was partly made possible by the one million tons of wheat loan from the United States and 200,000 tons under the Colombo Commonwealth Aid Plan. The year 1952/53 will be the last year of the present wheat agreement and negotiations are taking place regarding the character of any new agreement.

Exports of fats and oils from the region increased sharply in 1951 as compared with 1950, following the rapid price increases after the outbreak of the Korean war. A declining trend in prices began in the spring of 1951 and continued until April 1952, after which there was a moderate recovery. Partly as a result of this break in prices, ex-

ports of most fats and oils from countries of the region decreased in 1951/52. World consumer and industrial demand in 1952/53 are likely to be well sustained by a high level of economic activity. However, the prospects for large world supplies are favourable so that a major rise in world prices of fats and oils is unlikely in 1952/53.

For the first time since the end of war, exportable tea supplies in 1951/52 were larger than world imports for current consumption. Production increased in the main exporting countries except Japan, where the crop was reduced by unfavourable weather. The slightly lower harvest in Northern India was more than counter-balanced by an exceptionally large crop in the southern part of the country. Ceylon, which in 1950/51 produced a crop 42 per cent larger than prewar, again increased production by 3 per cent, and Pakistan harvested a record crop. Indonesia's production rose to 62 per cent of pre-war, notwithstanding labour difficulties and the spread of blister blight disease.

Actual export of tea during the first half of 1952 was, however, lower than in the first half of 1951, partly because of the decline in prices at the main auctions. Even so, prices during the 1952 season were still 150 to 200 per cent higher than pre-war. As production in 1952/53 is promising, prices may decline further. In Northern India, weather conditions have been favourable and total Indian production is likely to exceed the 1951/52 crop. In Ceylon, the campaign against blister blight is proceeding with a high degree of success. In Japan, production is likely to rise.

On the demand side, the most important development is the end of tea rationing in the United Kingdom which will raise import requirements by about 50,000 tons a year as compared with recent years and by 30,000 tons as compared with pre-war. The efforts of tea-producing countries to expand consumption in the United States and in European countries are likely to show slow but steady results.

Consumption

During 1951/52 there were some improvements in the energy value of the diet in many countries of the region, but the prewar level has still not been regained. The improvement noted in food consumption in 1951/52 was partly due to the large import of foodstuffs. In 1951/52 there was some recovery in India following the conditions of acute food stringency that prevailed in part of the country in the preceding year, with serious shortages still being reported from some areas.

Food consumption in the region is about the lowest among the regions of the world, and the slow improvement in the average per capita supplies in many countries of the region seems to indicate that considerable effort will be needed if both the quantity and quality of per capita food supplies are not to remain at levels lower than in pre-war years.

Within the region cereal and starchy foods still constitute the bulk of a quantitatively inadequate food supply. A recent survey in Ceylon shows that the diet is often inadequate in terms of necessary calories and that undernourishment is common among the population. In an appreciable number of families surveyed recently in India, the average daily calory intake was below 2,000 and, in a few cases, below 1,500. Even in countries in which calory levels are adequate the diet often does not contain enough protective food. Such unbalanced diets have deleterious effects on health and are responsible for the prevalence of various deficiency diseases.

It is imperative that the per capita food consumption within the region be raised. The Sixth Session of the FAO conference considered an annual increase in world food production by one to two per cent in excess of the rate of world population growth (currently about 1 per cent) as a minimum necessary to achieve some improvement in nutritional standards. Nutritional requirements in many countries of the region however are above effective demand.

Food import, although small in relation to total food production, plays an important part in determining supplies in many countries. It is linked up with the ability of the countries to finance imports. This is especially so in view of the decline in export earnings of many raw material exporting countries of the region, and the increase in the price of rice. Even allowing for unrecorded production such as subsistence fishing, consumption of animal protein is so low that, were it doubled or trebled in the next ten years, it would still remain far below the present standards in advanced countries. However, livestock production can be increased in the long run without drawing on additional grain supplies, by culling herds, reducing diseases, and improving methods of breeding and feeding. In the years immediately ahead, it would be unwise to attempt to expand livestock output by methods that might diminish the supply of high energy foods. While avoiding competition for human food on the part of animals, the supply of animal protein, it is conservatively estimated, can be doubled in most countries by improved production techniques without detriment to the output of food crops. There is also much scope for expanding fish production from inland sources, especially as the fish resources of the region are still far from being fully exploited.

Country Reviews

Major rice exporting countries

Production of rice (paddy) continued to increase in major rice exporting countries in 1951/52. Rice production in Burma benefitted from greater internal security. Current yield exceeds prewar levels, as re-cultivation first extends to better quality lands. In Thailand rice acreage increased in 1951/52 to about 42 per cent above prewar, though yields declined somewhat owing mainly to marginal lands being brought under cultivation. In the three States of Indochina the area under rice cultivation has increased, though it still remains 5 to 10 per cent below prewar.

The exportable surplus of the current crop of rice from these countries, however, will not significantly increase in 1952. In Thailand the Government planned to keep 300,000 tons as a reserve stock within the country and allocated only 800,000 tons for export in the first ten months of 1952. Towards the end of the year 63,000 tons were allowed to be exported. In Burma, although the rice crop is larger this year, liberal shipments in 1951 from carry-over stocks will reduce the exportable surplus (on the assumption that it is intended to build up stocks to the previous level). Burma's rice commitment up to June 1952 is 663,000 tons, or one half of the exportable surplus from the 1951/52 crop.

Burma and Thailand continued to export rice mainly to countries of the region, and India and Indonesia's share in Thailand rice exports is increasing. Indochina rice exports in prewar and early postwar years were mainly to countries outside the region but more recently, especially in 1952, greater rice exports have been made to countries within the region.

The increase in the price of rice in international markets tended to stimulate rice production in the three States of Indochina, and peasants were reported to be expanding rice cultivation owing to the establishment of an agricultural service, seed research, mechanization and use of fertilizers.

In Thailand the producers do not have the full benefit of the high price of rice, owing to application of official exchange rates for surrender of foreign exchange earned on rice export, although some benefit has accrued to them through the working of the inducement system. In Burma, in spite of the partial restoration of rice trade to private business, the control exercised by the State Agricultural Marketing Board as the sole buyer of rice for export has enabled it to keep the internal price of rice unchanged.

Taking Burma's internal price of rice as 100, internal prices elsewhere were roughly: Thailand 230, Egypt 280, India 310, Italy 330, U.S.A. 390, Japan 440, Indochina 460, Pakistan 550 and Brazil 740. These indices do not measure relative incomes or well-being of the rice farmers in the various countries, as incomes are dependent both on the price received and on costs of production and on very many other factors as well. The indices merely show that although the world market price of rice is the same for all countries, there are large differences in internal prices. In the rice exporting countries of Burma and Thailand, the internal price of rice is kept much below the external price, as a matter of marketing and fiscal policy. In other countries subsidies on imports explain the difference, and there are also differences in costs of production as between the various countries. The disparity between the internal and the external prices of rice in Burma and Thailand suggests that, even if the international price should fall, at some future date, neither cultivators' incomes nor production would suffer immediately. To the extent that government revenues are dependent in these two countries on profits from rice marketing, the governments' financial position would be affected. In other countries rice output would be affected unless governments are willing to subsidize rice production.

Raw material exporting countries

The diversion of resources, especially labour, to the production of raw materials during the Korean war boom, affected the production of food in a few areas. At the same time raw material producing countries within the region increased their demand for foodstuffs as their incomes had risen; this additional demand increased their dependence on food imports from countries in the region and elsewhere. Rice and wheat imports into Ceylon, Indonesia, Malaya and the Philippines rose substantially in 1951 and 1952, as compared with 1950. Wheat imports increased also because of the slow expansion of rice production in the major rice exporting countries of the region.

In view of the scarcity of rice supplies and the rapid growth of population, both Ceylon and Malaya are keen on expanding domestic production. Some of the land reclamation and irrigation projects undertaken in Ceylon are completed or are nearing completion. In Malaya, rice production in 1951/52 has been maintained at a relatively high level, which is 35 per cent above prewar. In Indonesia rice production is reported to have regained the prewar level but per capita supply remains well below this. Local shortages, due largely to disorganized marketing and dislocated transport, caused a steep rise in prices of rice and other foods and led the Government to plan for increased import of rice in 1952. The Government also decided to pay heavy subsidies on imported rice and control domestic prices. In the Philippines, sugar output in 1951/52 came up to the prewar level, but exports have not yet reached the United States quota of 850,000 tons. Food production, though well above prewar levels, suffered a slight set-back in 1951/52 from typhoons and floods, and imports of rice were continued in order to check rising prices.

Pakistan for the first time became a food deficit country in 1952 and is stated to be requiring 400,000 tons of foodgrain imports. Unfavourable weather resulted in lower production of rice and wheat, which necessitated both an embargo on grain exports and intensive internal procurement for distribution to deficit areas. Pakistan succeeded in negotiating a $15 million loan from the United States Export-Import Bank for the purchase of food imports. In the second half of 1952, negotiations were proceeding to procure 150,000 tons of wheat on the open market in the United States. Pakistan had already secured or made arrangements for the import of 310,000 tons of wheat from the Soviet Union, India, Turkey, Syria and Egypt. Earlier in the year, the British Government had given timely aid by diverting to Karachi 9,000 tons of wheat en route to the United Kingdom from Australia.

Pakistan's food deficit, however, is unlikely to continue for long, in view of the fall in the prices of jute and cotton and the government's policy of increasing foodgrain production, so that the country can expect to be self-sufficient in wheat and rice by the end of 1953. Given average weather conditions for grain production and effective control over food distribution, Pakistan may once more have a surplus for export in 1953/54, after meeting the expanding requirements for domestic consumption. Australia has offered Pakistan as part of its allocation under the Colombo Plan £1½ million worth of agricultural implements and electrical goods during 1952. Meanwhile, irrigation projects continue to be given high priority in Pakistan's development plans. Two major schemes costing about Rs.300 million, which have recently been approved, will bring 5 million additional acres under cultivation.

In Ceylon and Malaya, even if the short-term programmes for agricultural development are fully implemented, import demands for rice are unlikely to show any material decline by 1953/54. Indonesia's agricultural programme continues to concentrate on measures most likely to bring immediate improvement in the production of food and export crops. This, together with improvements in transport and marketing, may scale down imports of rice by 1953/54. Per capita food availability in the Philippines has exceeded the prewar level. With the financial assistance from the United States, the country appears to be on its way to achieving self-sufficiency in rice, and rehabilitation of production and trade in export crops.

Food and raw material importing countries

India and Japan continued to be largely dependent on wheat imports from outside the region. Japan obtained most of its rice supplies in 1950 and 1951 from Burma, Indochina and Thailand. In 1952, owing to the shortage of rice within the region, it has to supplement its foodgrain requirements by rice imports from outside the region. In 1951/52 Japan produced almost 83 per cent of its total food supplies compared with 85 per cent prewar, despite a rapid increase in population in the last decade. This had been made possible mainly through slight under-milling of rice, restriction on industrial uses of food, and a somewhat lower consumption level. Japan's agricultural development plans are designed to increase domestic food production in line with population growth.

In India, foodgrain production in 1951/52 suffered from drought in some important areas. Foodgrain imports in 1951 of 4.7 million tons, twice the volume of the preceding year, eased the internal supply situation and the year-end stocks were larger. Production of groundnuts declined, but sugar cane and tea output rose owing to increased acreage and favourable growing conditions.

Despite drought in 1951/52, procurement of foodgrains was more successful in 1952 than in the previous year. With

increased payments on internally procured grains, involving higher prices for farmers, marketable supplies and stocks in the hands of the Government increased. Millets have been decontrolled throughout India, while several deficit States have decontrolled some foodgrains. The food import target for 1952 is likely to be revised downwards from the target of 5 million tons previously fixed (including unshipped balance of 1951 United States loan of one million tons of wheat).

The Indian Planning Commission has given high priority to development of agriculture through completion of various large and small scale irrigation projects in the first Five-Year Plan, and aims to secure by 1955/56 additional production of 7.6 million tons of food grains, 1.2 million bales of cotton, 2 million bales of jute, and a substantial increase in output of sugar and oilseeds over the 1950 levels. These targets, if achieved, would increase domestic food production by 1955/56 by 16 per cent above that of 1949/50, while population is expected to increase only 9 per cent over that period. This would reduce India's requirements of food imports, and relieve the food shortage, especially in rice, of other countries within the region.

Raw Materials

Prices of both agricultural and mineral raw materials rose rapidly in the Korean-war boom period and by 1951 or 1952 had generally doubled compared with 1949 level. The steepest price rise was in rubber which at its peak level was five and a half times the 1949 level. The rise in prices of agricultural raw materials started earlier than that of minerals, and was more rapid; and the collapse of the boom affected them first, with the down-turn of prices occurring in the first or second quarters of 1951. With the exception of tin the rise in prices of minerals lasted longer, and in many cases the peak was reached only at the end of 1951 or in the first quarter of 1952. There were a few commodities, however, such as copper, iron ore and manganese ore, whose prices continued to increase throughout 1952.

The increase in prices during the boom period stimulated production of both agricultural and mineral raw materials. Regional output of jute in 1951/52 was about 70 per cent, of rubber 26 per cent and of cotton about 40 per cent higher than in 1949/50. Output of minerals also reached levels 50 to 100 per cent above 1949, though in tin the expansion was much smaller (+10% at the peak). The most significant increases took place in the production of lead and zinc ore, and in refined sulphur in Japan. The increase in production of agricultural raw materials was made possible by a more intensive use of agricultural resources and to a limited extent by the diversion of resources from the production of foodstuffs. The expansion in mineral production was a continuation, in many countries, of the postwar recovery.

Inspite of the collapse of the Korean-war boom, prices of most raw materials towards the end of 1952 were still above the 1949 level; one of the exceptions is jute. Output of a number of primary materials has begun to decline in 1952 but in all cases it was still very much above the 1949 level.

Agricultural Raw Materials

Cotton

Postwar cotton production in the region, though still below pre-war level, had improved. During 1951/52 production rose further to 1.6 million tons, with significant increases in mainland China, India and Pakistan where high prices at the planting season gave a stimulus.

World cotton production for 1951/52, estimated at 35.4 million bales, was the largest in postwar years and the second largest on record. The increase in supply, together with the subsiding of speculative demands, brought about a rapid decline in prices during 1951, and this was aggravated by a contraction in 1951/52 of textile operations and cotton consumption, and by the accumulation of textile and apparel stocks at all levels from manufacturer to consumer. While traders reduced their orders, manufacturers reduced their commitments for cotton and the decline in cotton prices induced further caution with respect to new orders.

It is not clear whether the recession will have any great effect in India. Government controls have held down the price of Indian cotton (as well as prices of the end-products) so that the industry enjoys a strong competitive position in export markets, although the fall in textile prices in other countries has reduced its competitive advantage. In Japan, a large unsatisfied domestic market for textiles (rationing was abolished in Japan only in 1951) and substantial military orders offset the fall in exports.

As a result of the textile recession and the general uncertainty in the cotton market during 1951/52, trade in cotton (lint) of countries in the region decreased sharply during the second half of 1951 and in 1952. Exports of cotton from India and Pakistan fell substantially in the first half of 1952. During the first quarter of 1952 the cotton trade in Pakistan came practically to a standstill. Exports revived only when the Cotton Board revised its support policy and agreed to sell cotton at 10 per cent below the official minimum price. In the second half of 1952, the price support scheme was abolished.

The 1952/53 season opened with a carry-over of 13.7 million bales. Given a repetition of the 1951/52 volume of world production, total supply in 1952/53 would be about 48 million bales—a record postwar supply. It appears however that production is unlikely to be as large as in 1951/52, as price is less favourable to cotton planting.

Jute

Throughout the postwar era, jute and jute products have been in short supply, particularly in the first half of 1951 when prices reached a level 12 or 15 times the pre-war. With the harvesting of much larger crops in 1951/52 supplies became plentiful while demand decreased; prices in consequence dropped.

Both Pakistan and India expanded their jute acreage by 35-40 per cent in 1951/52, resulting in a crop of over 11 million bales. This was the first time since 1940 that production had exceeded the pre-war level. Yields in Pakistan were about average. In India yields, although slightly higher than last year, were still markedly lower than in earlier postwar years, owing to the extension of acreage outside West Bengal into areas less suited to, or less experienced in, jute cultivation.

With more raw jute, mills in Calcutta extended their operations in December 1951. On account of weak United States demand, hessian manufacture was relatively unprofitable and one eighth of the Hessian looms remained sealed. As larger output of sacking could not be absorbed, the Calcutta mills reverted to 42½ hour week at the end of March.

To encourage exports, the Indian Government halved the export duty on hessian in February 1952 and subse-

quently abolished quotas on exports of gunnies to soft currency markets. Even so the Calcutta industry was being undersold by European mills which increased their exports significantly to the United Kingdom, the United States and other markets. In the United Kingdom, notable improvements have taken place in the productivity of the Dundee industry and more ample supply of raw jute has made possible the abandonment of rationing. To strengthen the competitive position of India's jute mills, the export duty on both hessian and sacking was further reduced in May 1952.

Because of the large domestic crop and reduced demand for jute products, Calcutta mills have not been taking up their full quota (2.5 million bales for the season) of Pakistan jute. Shipments from Pakistan overseas, which in 1950/51 regained the pre-war level of exports from the Indo-Pakistan sub-continent, were also smaller in 1951/52.

With falling exports, prices in Pakistan receded sharply in the early months of 1952. In March, the Government announced a new schedule of minimum prices for loose jute, at which the Jute Board expressed its willingness to buy. As prices showed signs of falling further, especially in the Calcutta market, the Pakistan minimum price was reduced by about 26 per cent at the end of June 1952.

Pakistan had 97 per cent of the licensed area planted in 1951/52, but at the time of planting in 1952/53 jute prices were less favourable than rice prices and plantings were reported to be no higher than in the previous season. In addition, the Government announced in 1952 its intention to reduce substantially the area under jute. In India, the area planted in 1952/53 is expected to be less than in 1951-52. But given favourable weather conditions production should be adequate to meet the requirements of jute factories and a recurrence of the very high prices of raw jute, which had prevailed in previous years, seems unlikely. Such high prices had greatly encouraged the displacement of jute at both the raw material and manufactured goods stages. Illustrative of this was the increasing use of paper as a packing material in the United States. With the fall in prices of raw jute in 1952 to levels below those prevailing in 1949, jute is likely to replace substitutes and the consumption of jute is likely to increase.

Silk

Silk production in Japan continued to increase during 1951/52 to 11,400 tons (machine reeled) which was 15 per cent greater than in the preceding season though only a third of pre-war production. In spite of the increase in recent production, Japan's export of silk, after an increase in 1950 declined in 1951 and 1952, owing partly to the increase in domestic consumption.

Rubber

The price of rubber, like that of many other raw materials, fluctuated violently during and after the Korean war boom. After reaching a peak in the first quarter of 1951, it continued to decline during the first half of 1952. Mainly as a result of this price fall a drop of some 140,000 tons (7 per cent) is expected in natural rubber production in 1952; the loss of output is almost entirely on account of small holders.

As for synthetic rubber, the United States Reconstruction Finance Corporation has been directed to produce GR-S rubber at an annual rate of not less than 600,000 tons until, in addition to satisfying all other requirements, a Government stock of at least 75,000 tons has been accumulated. When this point is reached, production of GR-S rubber may be allowed to fall, but to not less than 450,000 tons annually, and only with a corresponding increase of GR-S stocks up to at least 122,000 tons. Limited exports of synthetic rubber from the United States are now taking place.

Total world consumption is expected to be about the same in 1952 as in 1951. The removal of restrictions on the use of rubber in the United States is not expected to have any appreciable effect on the relatively low level of natural rubber consumption there, in view of the price advantage enjoyed by synthetic rubber early in 1952. However, the sharp fall in natural rubber prices has narrowed the margin and recent statistics of rubber consumption in the United States during the month of August to November show that American manufacturers are now using a greater proportion of natural rubber as compared with the synthetic product than earlier in the year. The extent to which competition between the two products can take place is limited by the requirement that at least 510,000 tons of synthetic rubber (450,000 GR-S and 60,000 butyl) must be consumed. This amounts to about 22 per cent of total world consumption of both natural and synthetic rubber.

The excess of production over consumption, estimated at 308,000 tons in 1952, is considerably smaller than in the previous year. For natural rubber, it is 300,000 tons in 1952 as against 380,000 tons in 1951. The United States stockpiling programme is nearing completion, however, and purchasing is on a decreasing scale, while lower grade rubber is gradually being rotated out of the stockpile. The outlook for rubber, therefore, remains uncertain.

In view of the uncertainties in the rubber situation, the International Rubber Study Group resolved to establish a Working Party "to consider whether measures designed to prevent burdensome surpluses or serious shortages of rubber are necessary and practicable; to prepare drafts of any agreements required to implement such measures; and to report back to the Study Group as soon as possible."

Tobacco

Production of tobacco in the Far East declined in 1951/52, as a result of a decrease in area under cultivation. Generally speaking, yields in 1951/52 were not very different from previous years, although they continued to be below pre-war levels. During the current year significant increases in production took place in China (Taiwan), Indochina and the Philippines and, to a lesser extent, in Ceylon and Thailand. In India production continued to decline, mainly because of the decrease in the area under the crop. Countries with larger outputs tended to increase their exports in 1951/52.

Mineral Raw Materials

Iron ore

Prices of iron ore increased during 1950/51, mainly owing to the increase in prices of iron and steel products in world markets. The rate of increase in prices for iron ore, however, was not as rapid as that for other metallic minerals, especially tin. The increase in prices brought about an increase in output in the Philippines, Malaya, Japan and Hongkong. Statistics of India's 1952 production are not available, but judging from the increase in output in 1951 and from the increase in iron ore exports in 1952, production seems to have advanced.

The increase in demand for iron ore came mainly from Japan where rapid progress was recorded in the iron and steel industry: the production of pig iron and steel ingots in 1951 registered an increase of approximately 100 per cent over 1949, and this expansion continued till the middle of 1952.

Japan's increased demand for iron ore was partly met by an increase in domestic iron ore production although the main supply came from imports which in 1951 were more than double the level in 1950; imports continued at

high levels in 1952. They came mainly from Hongkong, the Philippines, India, Malaya, the United States and Canada. India's position as a supplier of iron ore will be further improved as new iron ore deposits to the extent of 930 million tons have been located in the Madras and Madhya Pradesh states, thus bringnig the total reserves of iron ore to 10,000 million tons.

Tungsten

A fairly rapid increase in world production of tungsten was recorded in 1951 and in 1952, but the shortage of tungsten increased as demand expanded more rapidly. In the region, especially in Burma and Korea, the improvement in output was slow. In China mainland, output is reported to have reached in 1950 76 per cent of the "pre-liberation" peak and in 1951 80 per cent.

Although tungsten was in short supply, prices did not increase as rapidly as for certain other minerals owing to allocations by the "Tungsten Molybdenum Committee" of the International Materials Conference. Furthermore, in the committee's recommendation for allocation for the third quarter of 1951, an arrangement was introduced whereby the spot purchase price of tungsten was not to be less than $55 and not higher than $65 f.o.b. per short ton. Although one participating country was unable to agree to this proposal and as this price arrangement was not continued, there has, in practice, been a considerable degree of stability of tungsten prices in the first half of 1952 owing to the general adoption of long-term contracts at prices ranging between $60 and $65.

Manganese

With the increase in prices, manganese ore output in India expanded from 900,000 tons in 1950 to 1.3 million tons in 1951. Judging from the further increase in exports of manganese ore from India, it seems likely that production has been rising during 1952. Exports from India continued to be directed mainly to the United States but also to the United Kingdom, west Germany and Japan. Larger supplies from India and higher output elsewhere have helped to ease the world shortage of manganese in 1952.

India's position as a major supplier of manganese ore will be improved as a result of field work undertaken by the Geological Survey in Orissa which is expected to yield over a million tons of manganese deposits.

In the Philippines manganese production decreased continually from 32,739 tons in 1948/49 to 18,950 tons in 1951/52, owing to lack of suitable ore.

Tin

In 1948, world tin production exceeded consumption and the gap widened in 1949. The outbreak of the Korean war increased both stockpiling demands and commercial consumption of tin so that in 1950 the excess supply was reduced compared with 1949; commercial stocks of tin also declined. The price of tin rose rapidly, reaching its peak in February 1951 when the price was about twice that in the first half of 1950 and almost two and a half times the average of 1949. Under the stimulus of higher price increases the region's production of both tin-in-concentrates and tin metal increased during the second half of 1950. The expansion resulted from the working of lower grade ground and marginal mines, rather than from new investment for the development of hitherto untapped resources; as the Korean-war boom was too short a duration to serve as a stimulus for increased prospecting and investment.

In order to stabilize prices, two international conferences were held in 1950 and in 1951 but no agreement was reached between the producer and consumer countries.

Towards the end of the first quarter of 1951, however, the monopolization of U.S. imports by the government through the Reconstruction Finance Corporation, the decrease in stockpiling demand and also in commercial consumption of tin in the United States caused tin prices to fall rapidly from February to August 1951.

In 1952, tin prices were levelling off at higher levels than those at which they had stood before the Korean war. A measure of price stability was secured by the two long-term tin agreements which the United States concluded with Indonesia on the one hand and with the United Kingdom and Malaya on the other. In these agreements prices had been fixed at an equivalent of £965 per ton in London.

Regional tin output, which contracted when prices fell during 1951, was stimulated again by the firmer price tendency and the greater stability secured by these agreements.

Copper, lead and zinc

These metals were in short supply in 1950 and 1951, and copper and zinc have been subject to allocations by the Copper-Zinc-Lead Committee of the International Materials Conference since 1951. During these two years the prices of all these metals rose rapidly, but in early 1952 prices first for lead and later for zinc fell as more supplies became available. Copper has continued to be in short supply, with further price increases during 1952 (9 months).

When the supply position of zinc eased, international zinc allocations for the second quarter were suspended by the International Materials Conference in the last week of May and no further allocations were made for the third quarter. With the improvement in lead supplies, trading in lead on the London Metal Exchange was permitted in October 1952 after a suspension of 13 years. In the free transactions, prices slumped to £111 per ton as against the control rate of £131 at which the metal was pegged prior to decontrol. Free dealings in zinc will be resumed in London at the beginning of January 1953.

Under the stimulus of price increases, production of copper, lead and zinc within the region increased in 1951 and in 1952, as prices were still above pre-Korean-war levels. In Japan internal prices of these metals were above those prevailing in the world market. For copper, this has meant that although the International Materials Conference fixed Japan's export quota for the third and fourth quarters of 1952 at 4,100 and 3,400 tons respectively, not a single ton had been exported by November—in view of the high prices offered by Japanese smelters. In the case of lead and zinc, even though Japan's prices were reduced, as a result of the turn in market conditions, the internal price level, which was still above the world level, made exports difficult.

Although India is a producer of these metals it relies on substantial imports for its requirements. The International Materials Conference allocated to India 8,550 tons of copper and 6,500 tons of zinc for the second quarter of 1952. India, which at present produces only refined copper, will begin producing electrolytic copper in conjunction with the production of silver some time in 1954.

Sulphur

The world shortage of sulphur continued in 1951 and in the first half of 1952. In the second half of 1952 the shortage was less serious and the Sulphur Committee of the International Materials Conference allocated 3.3 million tons of sulphur which was about 251,000 tons more than was available in the first half of 1952. For the first time also, the new allocations allowed a few countries enough sulphur to build up their depleted stocks. In the opinion

of the conference, as the result of its sulphur allocations since July 1951, "consumption has been virtually brought into line with production and the severe drain on stocks halted."

Within the region Japan is the only significant producer of sulphur, while both India and Japan are important consumers. Japanese production of refined sulphur and gypsum increased rapidly in 1951 and reached a peak towards the end of the year. In 1952, the rate of increase declined and sulphur production practically levelled out during the first eight months of the year. India, which relies on imports for its supply of sulphur, was able to obtain its minimum requirements for essential industries after having joined the Sulphur Committee of the International Materials Conference. India was allocated 30,000 tons for the period July-December 1952. This was expected to help the Indian sulphuric acid industry which had suffered from inadequate supplies of sulphur in the last few years causing its output to be much below capacity.

Industrial Production

Industrial production in the region is concentrated in Japan, India and China. Large additions to industrial output are reported from mainland China. In Japan and India, however, there have been some signs of a slowing down of industrial activity. The increase in output observed in both countries in the preceding year continued in 1952, but at a diminishing pace; and by the spring or early summer the rising curve of production had levelled off to a more or less horizontal course. As far as the other countries of the region are concerned, there are no indications that the recent recessive tendencies in international trade have interrupted the policies of establishing industries or of developing transport and power facilities as a basis of industrial growth. Thus taking the region as a whole, the general picture in 1952 has been one of continuing, though uneven, advance.

China: In the mainland very large and continued increases are reported, over the whole field of production. The information is however not presented in the conventional statistical form. It consists throughout of statements of percentage or proportional increases against base figures for the year of "liberation" (1949). Thus, official figures show a rapid increase in basic industries during the period 1949 to 1952, e.g. power from 72 to 115, and coal from 45 to 90, pig iron from 11 to 104, steel ingots from 16 to 155, rolled steel from 18 to 167. Increases in consumer goods industries during the same period are also stated to have been notable, for example, cotton yarn from 72 to 144, cotton cloth from 73 to 161, cigarettes from 83 to 145 and wheat flour from 78 to 106. The year 1949, the year of "liberation," marked however a very low level of economic activity in mainland China.

Increases in industrial production are especially marked in the Northeast, the heart of industrial China, where state enterprises now predominate. In other parts of China state enterprises have extended in scope, although private enterprises under government control are still functioning. Such control takes the form of allocation of raw materials and of transport facilities as well as production for government orders.

The rapid increase in production as represented by the official figures may be accounted for by a number of factors of which the most important are the restoration of internal peace and order, the rehabilitation of transport especially railways, and the application of competitive methods as a spur to both workers and firms.

Industrial production in Taiwan also increased in 1952 compared with 1951 for many products, especially coal, power, fertilizers, cement and salt; the output of sugar, however, declined.

Japan: Japan's industrial expansion in the years up to 1951 was mainly supported by the increase in private investment and in exports, while consumption was lagging behind. In the course of 1951 these expansionary forces weakened. Exports ceased to make further advance, and after a period of uncertainty declined sharply in the second and third quarters of 1952. Investment activity also decelerated after the late autumn of 1951 (except in power development and shipbuilding) and output of investment industries began to contract, partly on account of declining exports. On the other hand, there has been some increase in public or semi-public investment and in government expenditure on "national security," as well as an increase in personal consumption. As a result of these conflicting tendencies, some industries show more or less pronounced output losses, while others, particularly consumer industries serving the home market, have continued to gain ground. The net effect on total industrial production has been a slackening in the rate of growth, between, roughly, mid-1951 and mid-1952.

India: The year 1951 and the early part of 1952 saw a relatively large expansion of industrial production in India, with basic materials, engineering and chemical industries in the forefront. Better raw material supplies, capacity extensions and permitted increases in various controlled prices stimulated production which reached a peak level in April 1952. Since then there has been a slightly recessionary tendency, extending not only to export industries (particularly jute manufacturing) but to a fairly wide range of producer and consumer industries serving the home market. The slackening is probably attributable to more cautious buying both on the part of firms and of consumers who have taken a "wait and see" attitude after the severe break in Indian commodity markets in February and March.

Fuel and Power

The region's share in world coal production shows a heartening increase from 5.9 per cent during the first half of 1951 to 6.9 per cent during the first half of 1952, and indicates that the rate of increase in production within the region exceeds that in the rest of the world by a significant margin.

The contribution of the region to world production of petroleum is still low but it is rising, and there are indications that in the course of the next few years the rate of increase will be accelerated.

The fall in the region's share of electricity production from the second half of 1951 is partly due to the effects of abnormal weather conditions on the output of hydro-electric power, principally in Japan (which has three-quarters of the electric power capacity of the region) and secondly in India, but it is also a fact that the rate of electric power development outside the region is higher than within the region.

Coal

Coal production in the region (excluding mainland China) in the first half of 1952 was about 15 per cent higher than in the corresponding period of 1951, owing to increased output of Japan and India, though the recovery of minor producers, such as Viet-Nam and Korea (south),

was a marked feature. Production in July and August was about 10 per cent below that for the first half of 1952, and may indicate a reversal of the trend.

The year began in Japan with market and colliery stocks reduced to about 1 million tons, a quarter of the available market stocks at the beginning of the Korean war. In the meantime, monthly production had risen to a postwar peak of 4.3 million tons on the average of the first quarter of 1952. The effects of the rationalisation in the preceding period continued to be felt; output per worker was still rising, though it had not yet reached pre-war levels. Meanwhile, industrial demand declined and market and colliery stocks increased rapidly (by some 35 per cent in the first quarter of 1952). The decline in demand and increase in stocks continued and were intensified in the second quarter; though the production of coal fell to an average of slightly less than 4 million tons per month for the second quarter, and to 3.5 million in August. Market stocks were over 2.2 million tons in June, and were estimated to have risen to over 2.5 million tons by August.

Government policy since 1951 has been to encourage the substitution of heavy fuel oil for coal. The present decline in the demand in Japan relates principally to the home-produced low-grade coals. High grade coals must still be imported; but these foreign coals which have been chiefly relied on during the recent period to replace coals from mainland China have recently been considerably reduced in price.

The course of the development was broadly the same in India. The production of coal in the first quarter of 1952 (with a monthly average of 3.2 million tons) was considerably above the rate of production in 1951 (monthly average just under 3 million tons). This high rate of production was maintained in April and May, but declined in June, July and August.

Distribution continues to present serious problems. A recurrent theme of comment in India has been the extent of the dependence of industries on coal supplies, and the dependence of coal supplies on improvement in transport. The improvements of recent years in the provision and handling of railway waggons do not seem to be sufficient; the continued accumulation of pithead stocks is partly attributable to this cause. In claims for transport priority, coal competes sharply with other commodities, especially food grains. It is estimated that proper provision for the carrying of coal would mean devoting to that purpose one fifth of all the waggons available on first class railways.

In China mainland, great increases in the output of coal are reported, these being attributed largely to the enthusiasm of the workers, and also to the introduction of Soviet methods of work-planning.

In Taiwan, coal mining has been given special attention by the Government and the foreign assistance agencies, since lack of coal, high cost of production and high market price have been serious weaknesses in the island's economy. Production has recently increased, but costs have also increased, and the price of coal has recently risen more than other prices.

The output in Viet-Nam for the first quarter of 1952, with a monthly average of 67,000 tons, was much above the corresponding quarter of 1951 (monthly average 48,000). The output reached 89,000 tons in March 1952, a postwar record, but still much below pre-war levels (monthly average was 195,000 tons in 1938). Exports were increased in the first half of 1952. In the second quarter, the monthly production figures fell off from the high level of March (April 78,000 tons, May 68,000 tons), but the period as a whole shows a marked improvement.

The Government of Pakistan has stressed the need for mine-owners in Baluchistan to develop and modernise their operations. Though production of coal increased very considerably in the first half of 1952, official statements have suggested that the prospects of oil development in Pakistan are relatively favourable, and that oil fuel would be substituted for coal as far as possible. Meanwhile, the expert surveys recently concluded have established the existence of considerable lignite deposits in both East and West Pakistan.

In Thailand also, it is planned to develop the use of lignite fuel, in which a beginning has been made.

In Burma, preliminary work continued in the Kalewa area, where it is intended to exploit the newly-discovered deposits of low-grade coal.

Petroleum

The advance of production in Brunei continues to be striking. It is reported that during the first two months of 1952 a record output of 14,000 tons a day was reached in the Seria field. A new agreement was signed in June between the operators and the Government of Sarawak, clarifying the tax and royalty obligations of the company.

In Indonesia, the 1951 level of output was slightly exceeded during the first half of 1952. The output in July and August was maintained at a high level and reached 728,000 and 708,600 tons respectively. There was slow progress towards formal agreements between the Government and foreign interests on the question of the latter's status, but both parties collaborated effectively in practical matters, especially in the development of new production.

The opening, in July, of the third distillation unit of the refinery at Balikpapan completed the rehabilitation of that installation. Refinery output at Balikpapan was about 6,000 tons a day in the middle of 1952, but was expected to rise to nearly 7,000 tons a day. The present crude oil production of the district (about 70,000 tons per month, or half the prewar) is insufficient to occupy this refinery fully; the possibility is envisaged that it may serve a much wider district, since fields in the Balikpapan area are to some extent "drying out."

Rehabilitation at Tarakan, where wartime destruction was very great, had also been nearly completed; by June 1952, 463 wells were in production, compared to 475 in 1942, some 300 of which were totally destroyed during the war.

Production in the Minas field (Central Sumatra) began in April. Plans were made in the middle of the year for the rehabilitation of the North Sumatra fields. The erection of a large drum factory at Tjilatjap was planned, and machinery for this was received in April.

In Japan, production of crude petroleum continues evenly at a rate somewhat below prewar, though consumption is now considerably above prewar. The refinery capacity has however been increased, and is expected to cover 20 per cent of the country's requirements of finished petroleum products in 1952. The supply position eased considerably in the early part of 1952, by which time "black-market" prices were hardly above official rates.

In the region generally, present plans mean that an increasing proportion of requirements will be refined locally in future years. The Philippines, which produce no petroleum, may become another centre of this activity for South Asia. The construction of a refinery was planned to begin in September 1952 to be completed in two years, at an outlay

of $20 million. Plans for refineries in Bombay and Chittagong have also been discussed.

In Pakistan, experimental drillings are continuing in both the Eastern and the Western parts of the country.

Electric Power

Production of electricity increased throughout the region in the first half of 1952. After the passing of the abnormal droughts which affected both Japan and India in the preceding months, and with the completion of new productive capacity, the supply of electricity increased in the early part of 1952.

In Japan, the production in the second half of 1951 was severely affected by unusual weather conditions, but recovery was rapid after the New Year. Government plans for hydroelectric development are on a very large scale. In June a law "for the acceleration of electric power resources development" was passed. Under this law, the Electric Power Resources Development Company was established on 16 September, to develop electric power in areas where private companies are inadequate. Over one half of the authorized capital of 100 billion yen is expected to be government-subscribed.

In India, similarly, cuts imposed by the irregularity of the monsoon weather were discontinued, and new capacity came into operation, so that the first half of 1952 showed more electricity generated than in the corresponding period of 1951. The increased availability of electricity for rural use is a recent feature in India. The growth of tube-well irrigation in the United Province is sustained by power drawn from the Ganga canal stations. Other states in India have also tube-well programmes. The first of the new electricity generating stations under the plan, at Bokaro, will come into operation in 1953.

Generating capacity in Pakistan now totals nearly 100,000 KW, or about double the capacity at the time of the Partition, but is well below industrial needs. The development programme includes large hydroelectric projects.

Production in mainland China is reported to have increased from 72 per cent of the "pre-liberation peak" in 1949 to an expected high of 115 per cent in 1952. In Taiwan, output shows a steady increase. Rehabilitation is declared to have been completed and a five-year expansion programme instituted, the aim of which is to raise output by 1957 to about double the present level.

The increase in the production of electricity in Korea (south) resulted partly from better weather conditions, but is mainly attributable to rehabilitation and renovation. Industrial consumption, at about 7 million KWH per month at present, is less than one-third of what it was four years ago. The increased availability of electric power is expected to stimulate the further restoration of industrial production.

Manufacturing Industries

Iron and Steel

The iron and steel industry is concentrated in Japan, India and China, with limited production in other countries. During the second quarter there was a slight fall in total Indian production and in the production of finished steel in Japan.

In Japan the industry is actively engaged in the modernization programme for the purpose of reducing costs of production through replacement of existing old style by up-to-date equipment. It is anticipated that upon completion of the programme in 1954, Japan would attain a production of 5.4 million tons of pig iron, 5 million tons of steel and 400,000 tons of special steel, and would be able to meet both probable domestic and foreign demand at lower prices.

In pre-war years China used to constitute the major market for Japan's iron and steel products, but recently Australia, Argentina, Pakistan, etc. have become more important as potential customers.

The industry's position with respect to raw materials, including iron ore and coking coal, has been adversely affected by increased freight charges and suspension of supply from mainland China. Of the total estimated requirement of 6 million tons of iron ore for 1952, it is planned to import 5 million tons including 1.9 million tons from the United States and Canada, 1 million tons each from the Philippines and Malaya and smaller quantities from India and Hongkong. In the meantime, Japan has been exploring the possibility of developing iron ore resources in India, Indonesia, Malaya and the Philippines. Japan also requires for the current year 3 million tons of coking coal for metallurgical use. While imports from the United States have tended to decline, a contract for 1 million tons from India is reported to have been concluded.

India produces less than 2 million tons of pig iron and over 1 million tons of finished steel per year. There is a proposal to increase the output of the three existing units by about 500,000 tons of finished steel in the next 4 or 5 years. The Government of India is actively engaged in planning the installation of new units in collaboration with Japan and the United States, possibly also with the assistance of a loan from the International Bank.

In the mainland of China, the iron and steel industry is concentrated in the Northeast. According to reports, the annual output of iron and steel has now increased by about 8 times the production of 3 years ago. Comparing 1952 figures with those of recorded peak years, the output of pig iron was expected to be 4 per cent greater, steel ingots 55 per cent greater and steel materials 67 per cent greater.

Among other countries of the region the Philippines has a number of small units for the melting and rolling of scrap. One of the plants has 3 electric furnaces for making steel from scrap and a newly installed merchant bar and rod mill. The Government has placed orders in the United States for a new steel plant, which is expected to come into operation early next year. In Burma there are at present small rolling mills with a capacity ranging from 400 to 800 tons per year. The Government plans to erect a small iron and steel plant with a capacity of about 16,000 tons annually. Tenders for machinery have been called for to process her large resources of scrap. Pakistan has advanced plans for the construction of additional electric furnaces with an annual capacity of about 15,000 tons to make billets from remeltable scrap and supply the existing foundries. It is also planned to establish a new hand bar mill with an annual capacity of 30,000 tons to supplement the existing rolling mill capacity, a part of which is of the older type. Thailand has a small iron and steel industry producing about 350 tons of bars per month at Tha Luang, Saraburi Province. The Government is promoting plans for the construction of an iron smelting works in the Northern province of Phrae, and for the production of 100 tons of finished steel shapes daily. In Indonesia, there are plans for the establishment in central Java of a steel manufacturing unit with a plant to utilize the country's scrap iron resources to the extent of about 30,000 tons annually. In Ceylon the Government has under consideration plans to establish a plant to manufacture pig iron and steel. It is expected to produce about 18,000 to 25,000 tons annually of merchant sections, bars, rods, hoop iron, belts, nuts, wood screws, etc. Though tenders have

been called for and the Government have approved the scheme in principle, further action on the project has been deferred pending consideration of the International Bank Mission's report.

Cement

Changes in the demand for cement and in the output of the industry are a good index of changes in the volume of constructional activity.

In Japan, which is the leading producer of cement in the region, monthly average output during the first half of 1952 (572,000 tons) was at a somewhat lower rate than in the last quarter of 1951 (604,000 tons). Exports have fallen, and constructional activity in Japan has not expanded further since 1951. The industry is keenly aware of the possibility of over-production, but expects that the growth in public investment will provide new outlets.

In the mainland of China, taking the "pre-liberation" peak as the base, output is stated to have risen from the low level of 31 in 1949 to 66 in 1950 and to 107 in 1951 and is expected to reach 148 in 1952. The rapid increase in demand, to which output responded, arose mainly from extensive construction work in dyke and dam building for flood prevention and irrigation, as well as from other public construction projects.

In India, average monthly output in 1952 (295,000 tons for January to August) was well above the average for 1951 (271,000 tons).

In Pakistan, the output of cement, mostly from West Pakistan, increased from the February low of 38,000 tons to 51,000 tons in March and 50,000 tons in April, as compared with the monthly average of 42,000 tons in 1951. In view of increasing demand, the Government has proposed to install three more factories of 400 tons daily capacity each in West Pakistan, and has advanced loans to the Chatak factory in East Pakistan to double its present capacity of 60,000 tons per year.

In other countries where production is at a low level, the first half of 1952 witnessed the launching of government plans to expand existing capacity or erect new plants. In Ceylon, the Kankesanturai State Cement Factory, with a present producing capacity of 65,000 tons per year, is expected to increase its capacity to 90,000 tons, to meet the country's consumption requirement of double the present capacity. In Indonesia, a proposal was presented to the Export-Import Bank for the building of a new cement factory near Sourabaya, to supplement the production of the Pudang cement factory. In the Philippines the cement output during the first eight months of 1952 averaged 26,700 tons which was slightly in excess of the average output of 25,200 tons in 1951. A new up-to-date portland cement factory in Guimaras Island was opened in April. The demand is increasing owing to government attempt to speed up its public works rehabilitation programme. In Thailand, in addition to the Thai Cement Company in Bangkok which has a daily producing capacity of 460 tons, the Government has approved the construction in 1953 of a new plant at Tha Luang in Saraburi Province, with a daily producing capacity of 600 tons, primarily to manufacture cement for the Chainat Dam and other projected hydro-electric installations.

Machinery

Machinery industry in the region is confined to Japan, India and China. In Japan the index of engineering production, with 1934-36 as the base, rose to the peak of 183 in the second half of 1951, from which it fell to 170 in the first half of 1952 owing to a decline in overseas demand, reduced domestic investment and shortage of power. This decline of output applied to machinery and electrical equipment, but not to the production of transport equipment.

Among other items, production of machine tools has suffered a drastic decline from its war-time peak. In 1951 production was not more than 9,100 units (4,600 tons in weight) as compared with the war-time peak of over 60,000 units. Manufacturing capacity at present is rated at 16,000 to 20,000 tons. There was a slight increase from the second half of 1951 to the first half of 1952. Future prospects depend on the tempo of equipment renovation in other industries.

An industry where overproduction is feared, and where production has actually been falling in the first half of 1952, is the manufacture of textile machines. The 1952 output of spindles is estimated at 1.8 million units as against the total estimated demand of 1.2 million units (two-thirds for domestic consumption and one-third for export). The reported partial lifting of the embargo on exports to mainland China is considered welcome news to the textile machine makers.

Japan is beginning to manufacture TV sets, the number of which is expected to reach 25,000 by the end of September. The only deterring factor is the high cost under the present limited scale of production. Most makers have entered into contracts with leading overseas manufacturing establishments in the United States for the use of their patent rights and for obtaining technical aid.

In India production of selected machinery products showed increases from the second half of 1951 to the first half of 1952 in many items including electric motors, electric transformers, sewing machines, bicycles, etc., but there was a decline of production in some branches, particularly diesel engines. In the meantime, the project for the establishment of the machine tool factory at Jalahalli, near Bangalore, in collaboration with a Swiss concern, has taken more definite shape. Orders for plant and machinery worth about 10 million Swiss francs have been placed and the equipment has started to arrive; a provision of Rs.15 million for the project has been made in the budget estimates for 1952/53.

Chemicals

The production of heavy chemicals in several countries of the region continues to make significant progress. This is especially true of the fertilizer branch of the industry which, in this region, includes only nitrogenous and phosphoratic products. According to an FAO survey based on preliminary data for the period June 1951/July 1952, production of chemical fertilizers in the region (excluding China mainland) increased by 20 per cent as compared with the previous year. The outlook for 1952/53 is for further increases of about 12 per cent for nitrogen production and 13 per cent for phosphoric acid production.

The country with the largest production of chemicals including fertilizers, in terms of both quantity and variety of products, is Japan. This situation is likely to remain unchanged for a considerable period despite new or additional capacity in China (Taiwan), India, Pakistan, the Philippines and other countries. Indeed, if fertilizers may be considered typical, the rate of imports by countries of the region other than Japan, is still increasing even though production in the last four countries is expanding.

The shortage of sulphur, perhaps the basic chemical raw material, in those countries which are members of, or cooperate with, the International Materials Conference amounted to 1.3 million tons in 1951. Early in 1952 the deficit for the year, despite increased production, was estimated to be in the neighbourhood of 1.7 million tons. But

on the strength of later evidence it now seems that the shortage is likely to be of a smaller order. Japan as one of the larger sulphur producers has a balanced supply. India, on the other hand, had been experiencing difficulty, although some improvement was noted during the second half of this year. Effort to increase production of sulphur, thereby increasing fertilizer production, hinges on discovery and utilization of the material in forms other than the elemental state. Thus in India and Pakistan gypsum is being exploited while pyrite has been used in Japan over a long period and is now being experimented with in the Philippines.

For the year ending June 1952 the region produced 510,000 tons of nitrogen contained in fertilizers. This represents an increase of 80,000 tons of nitrogen and is due almost in equal measure to production from the new Sindri ammonium sulphate factory in India (capacity about 70,000 tons per year) and to increased capacity in Japan. India's production amounted to 38,000 tons, Japan's 457,000, while Korea (south) and China (Taiwan) accounted for 300 and 13,850 tons respectively. Ammonium sulphate is by far the major source of fertilizer nitrogen in the region. In India it is probably the exclusive product. Japan produces a wider range including ammonium nitrate, calcium nitrate and cyanamide. The last named is produced in small quantities in Taiwan.

Additions to nitrogen capacity may be expected in Ceylon, Pakistan and the Philippines. The Philippines has its plant under construction with production scheduled for 1953. Its capacity is 50,000 tons of ammonium sulphate (about 10,000 tons of nitrogen). In Ceylon and Pakistan negotiations are being concluded with foreign firms for setting up 80,000 tons ammonium sulphate plants.

Production of phosphoratic fertilizers increased by a larger percentage than nitrogenous fertilizers. Of the total increase of 55,000 tons during 1951/52 Japan accounted for all but a 4,000 tons increase in Taiwan. India's production fell by 1,000 tons, possibly because of the dearth of sulphur. Total production in the region amounted to 310,000 tons.

It may be of interest to record that Japan's production of calcium superphosphate in February reached 151,800 tons. Subsequently, however, accumulation of stocks began to cause alarm as exports of this fertilizer fell off. From February to August, production has declined from the peak of 151,800 tons to 85,000 tons while inventories have increased over the same period.

It may be recalled that India and Japan made substantial gains during 1951 in the production of caustic soda, soda ash and related products. Since January 1952 Japan's production of caustic soda has decreased by about 20 per cent. There are indications that production will remain below capacity production until at least the third quarter of 1952.

The situation in India is not quite clear. The monthly average of soda ash for the period January-June 1952 was 2,900 tons as compared with a monthly average of 4,000 tons for the full year 1951. In July 1952, production was 4,600 tons. The chief customers for soda ash and caustic soda are the rayon industry and the paper and pulp manufacturers. The recent development of the rayon yarn industry should provide a steady market for these chemicals although disposition of chlorine, a by-product of the electrolytic process, may require special effort.

Small quantities of caustic soda are produced in Taiwan, and in both Ceylon and Pakistan, the Governments have concluded arrangements for the provision of caustic soda plants in connection with DDT manufacturing capacity.

The two main producers of sulphuric acid are Japan and India. Japan's production increased during the first half of 1952 as compared with the second half of 1951, while India's decreased during the same period.

Two plants of 20 and 10 tons per day respectively have been functioning in West Pakistan and a third (of 10 tons per day) is to be set up shortly. Still another 10 ton per day plant is to be built in East Pakistan. Ceylon is also installing a small plant. The Philippines and Taiwan produce small amounts.

Since 1947 the pulp industry in Japan has increased its production from a monthly average of 23,600 tons to one of 90,300 tons, owing to production from newly built or expanded factories. Almost 50 per cent of Japan's prewar pulp capacity was installed outside the main islands and is no longer available to Japan's economy. During 1951 the industry experienced favourable markets and showed an increase over 1950 production of some 45 per cent. From January to May 1952 production was about 10 per cent over the 1951 monthly average.

Some paper pulp is produced in India and Taiwan, but so far as is known, no rayon or chemical fibre pulp is produced outside of Japan. It is possible that the Philippines may implement a proposal for the construction of six pulp and paper mills having a total annual production of 228,000 tons of pulp. Of that amount, 100,000 tons may be converted into paper and the remainder exported.

Textiles

Cotton textiles. The three major producers of cotton textiles in the region are, in the order of importance, India, Japan and China. Of these, a large portion of the output from Japan, and a smaller portion from India, cater to the export market. China is relatively self-sufficient.

Japan's cotton textile industry had increased its capacity when the ban on expansion beyond the 4,000,000 spindle limit was lifted by the SCAP (June 1950). This increase in productive capacity continued in the period under review, but faced with the textile recession, the Government had to take action to reduce cotton textile operation by 40 per cent in March 1952 and a limit was placed on cotton yarn output to around 150,000 bales (from the January peak of 178,000 bales). The subsequent monthly production figures of yarn during 1952 were below this limit which, in view of the gradual reduction in stocks, was raised to 165,000 bales for August and September.

Owing to a significant rise in the 1951/52 crop of raw cotton in India, cotton textile output rose on a monthly basis from 51,000 tons of yarn during the first quarter to 52,400 tons during the second, with corresponding increases of cotton cloth output from 324 million metres to 346 million metres during the same period. This represents a higher rate of output than was achieved in 1951. India's cotton textile production was largely absorbed by the domestic market; in fact exports were deliberately restricted in 1951 in order to maintain home supplies. With the easing of the supply position, controls were removed in 1952 (until the end of September), but overseas demand was too weak to sustain higher export sales.

In the mainland of China, taking the "pre-liberation" peak as equal to 100, cotton yarn output during 1952 was planned to surpass the peak by 44 per cent, and cotton cloth output by 61 per cent.

Among other countries, Pakistan witnessed a rapid expansion of cotton textile production during the last 4 years, 1948-51, when the annual output of cotton fabrics

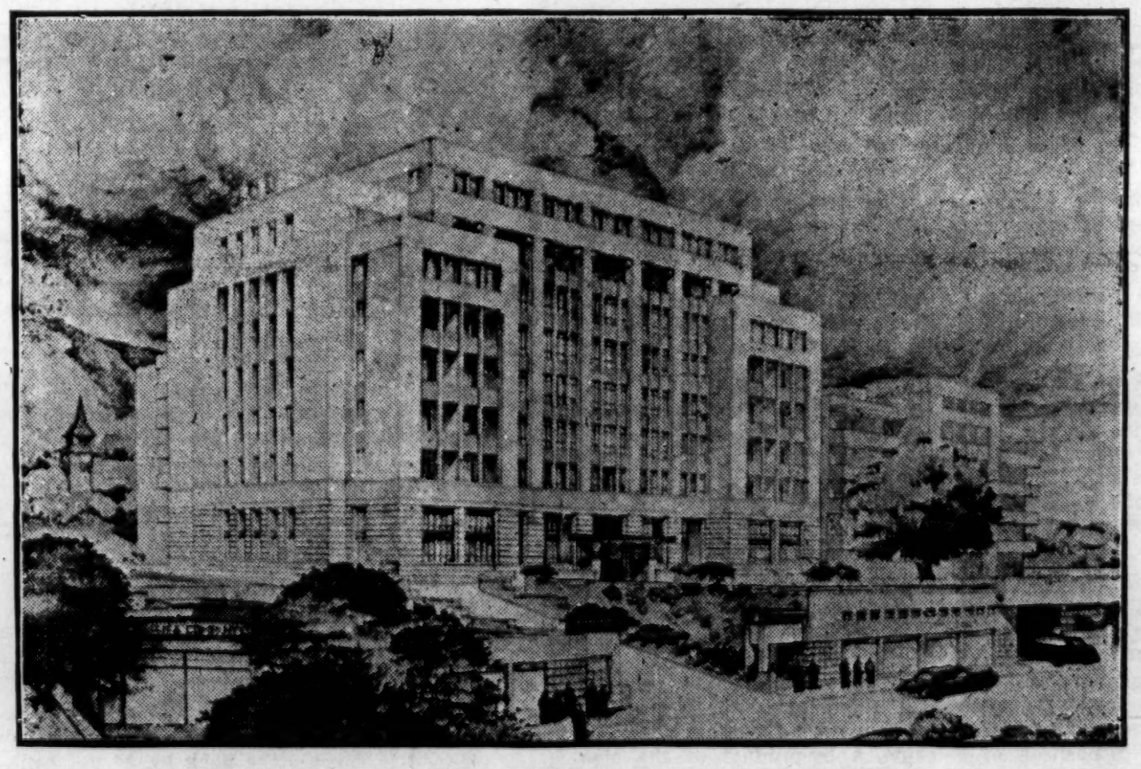
rose from 6.7 million metres to 9.7 million metres. There are now 32 textile mills in the country, all working double shifts, with 870 power looms. Whereas at the time of partition Pakistan had 177,418 spindles, it now has 333,126 spindles; the target set by the First Industries Conference is 1,350,000. The Prime Minister in the inaugural address on 21 April to the First Session of the Council of Industries stated that in respect of cotton textiles, "we can reasonably hope to become self-sufficient within the next 3 or 4 years." In Burma, Ceylon, Malaya and Thailand, development of cotton textile industry is evidenced in the recent construction or proposed construction, of new mills. These countries, like Pakistan, still depend, however, on the import of cotton textiles from India, Japan and the United Kingdom.

Jute manufactures. India, the world's major producer and exporter of jute goods, continued to experience depression in the industry, owing to the slowing-down of demand in major consuming countries. The target of the Planning Commission for 1955/56 is a level of production of 1.2 million tons and a level of export of 1 million tons, compared with about 890,000 tons and 780,000 tons respectively in 1951. The prospect for 1952 export is limited, despite the reduction in the export duty by the Government. On 1 March working hours were reduced from 48 to 42½ per week. The production of substitutes—paper bags—in the United States and elsewhere, and the establishment of new mills in Pakistan and the Philippines were factors contributing to the depression of the industry.

The problem now facing the industry, according to the Chairman of the Indian Jute Mills' Association at the latest annual meeting, is that of modernizing existing plant and machinery. According to one estimate, about 62,000 jute looms are old and require to be replaced at an estimated cost of Rs.700 million.

In Pakistan, the Government aims to set up jute mills with 6,000 looms by June 1955. Three new mills at Narayangunj, East Bengal with 1,000 looms each, to be jointly owned by the Government and a private enterprise, ought to be in full production by 1953. (The first of these mills has gone into production during the current year; a second mill will be in production by the end of 1952, and a third by June 1953). Orders have been placed for another 3,000 looms. The Finance Minister felt that the establishment of jute manufacturing in Pakistan would stabilize prices and bring new employment and prosperity to East Bengal. Emphasis is also laid on improved marketing facilities.

Extract of the Report of the United Nations Economic Commission for Asia & the Far East for 1952



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CENTENARY OF INDIAN RAILWAYS

By V. S. Swaminathan, M.A., M.Sc., (Lond.)

From a small beginning on April 16, 1853, when the first train in India, indeed in Asia, steamed out from Bombay to Thana, a distance of 21.75 miles, the route mileage of Indian railways in 1953, the centenary year, exceeds 34,000. Early in 1937 the system's route mileage was, in fact, 43,128. But following the separation of Burma in April 1937, and the partition of the subcontinent a decade later, it lost about 2,000 miles and 6,500 miles to Burma and Pakistan respectively. Today with a route mileage of 34,339 Indian railways are the largest in Asia, and the fourth largest in the world. The capital outlay increased from Rs. 3.8 million in 1853 to Rs. 8,620 million in 1951-52, and gross earnings from Rs. 19,000 to Rs. 2,940 million.

Indian railways are the largest employers in the country, giving work to nearly a million persons at an annual cost of Rs. 1,230 million. They are also the largest purchasers in India; the total value of stocks bought in 1952 amounted to Rs. 976 million. India has the most crowded railway system in the world with 2,340 passengers travelling every minute. The average number of trains running daily is estimated at 3,877, carrying 2,130,000 passengers. The number of wagons loaded per day is of the order of 18,675, and the number of tons lifted 262,238. The amount of coal consumed by the railways exceeds 10 million long tons a year. There are 6,273 railway stations in India, and one of the stations (Sonepur in Bihar) has the largest platform in the world measuring 2,415 feet. The longest bridge in India (Sone Bridge) has 95 spans, 100 feet apart. The longest tunnel in the country (Torsi) is three-fourths of a mile long.

Indian railways have at once been a factor and an index of economic progress. Judged by the extent of territory traversed and the magnitude of the population served they compare favourably with some of the largest systems in the world. India, with her vast territory but with a moderate degree of railway development, has only 28 miles of railway per 1,000 square miles, and she has but 10 miles of railway per 100,000 of the population. Before the first world war such averages used to be cited to indicate the adequacy or deficiency of rail facilities and the extent of scope for further development. With the successful emergence of the alternative road transport, however, the emphasis on railway development has lost some of its former force.

The intensity of general economic activity is reflected in the volume of transportation. From this angle the number of passenger journeys and the tonnage moved give a fair indication of the economic status of a country. The ton mileage per capita in India is only 81, and per capita passenger mileage a mere 111.

As railways have exercised a profound influence on the economic development and progress of India the ownership and management of so vital an instrument aroused acute controversy from the very early stages. The trend, outside the United States, in recent decades has been towards the extension of State ownership and management. India became wedded to state ownership more than fifty years ago, but the railways were left to be managed by private companies. The classic example of this type was afforded by the company-managed railways in India. The arrangement by which the companies were operated under the control of London Boards of Directors proved, in the long term, unsatisfactory. Hence, state management of railways was accepted in principle in 1923, and was fully implemented about twenty years later. The policy in India of exercising a detailed measure of control over the working of the company-managed railways largely succeeded in avoiding overcapitalisation, extensive duplication of facilities, competitive construction and measures which reflected on the financial integrity of management. The transfer of company lines followed as a logical and natural result of India's railway policy.

The process of railway development has been centrifugal rather than centripetal. The forces making for integration have been at work even in the nineteenth century. The increasing familiarity with the management of large undertakings, improvements in administrative technique and the desire to eliminate competition by absorption of competing lines into a single unit, all these accelerated the movement until it was consummated on a national scale. With the acquisition of company-managed railways by the state, advantage was taken to bring about the forma-

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tion of larger systems from amongst the existing units. Thus in 1925 the East Indian absorbed the Oudh and Rohilkand; in 1942 the Eastern Bengal and the Assam Bengal were amalgamated. In the following year the Bengal and North Western, the Rohilkand and Kumaon, the Tirhut, the Lucknow and Bareilly were all fused into a single railway.

With the purchase of the remaining company-managed railways in 1944 and following the integration of federal finance, the stage was set for the reorganisation of the Indian railways on a national basis. Some 21 separate administrative units were replaced by six major zonal railway systems. The formation of these regrouped railways began on April 14, 1951 with the Southern Railway, and was followed by the establishment of the Central and Western Railways in the course of that year. The process was completed on April 14, 1952 with the setting up of the Northern, North Eastern and Eastern Railways.

The profound economic and strategic importance of railways also raises the issue of the ability of the controlling authority and management to be alive to the calls made on them in peace time as well as in an emergency. The controlling authority for Indian railways is the Railway Board set up in 1905 and representing the principal executive branch of the Government in railway matters. Following its reorganisation and expansion, and the separation of railway finance from general finance, the Board became more effective in dealing with policy and control of railways. In evolving a satisfactory type of state management three sets of problems arise pertaining to Parliamentary control of the administration of railways, provision of adequate finance and ensuring business principles of management.

Broadly speaking, the organisation for the control of Indian railways has proved effective and successful in dealing with the problems facing it. The Convention separating railway finance has given it a measure of freedom to initiate and execute policies of improvement and expansion, while, at the same time, guaranteeing general finance the payment of the fixed dividend on the loan capital-at-charge. The Minister's responsibility to Parliament on all matters affecting railways is annually acknowledged by the introduction of the railway budget, and the discussions thereon afford considerable scope for eliciting parliamentary criticism and general approval of the House to the budget proposals of the Government. The Minister has at his disposal the advice of the functional members of the Railway Board for finance, engineering, transportation and staff respectively, and thus the assurance that the formulation and carrying out of policy is done under the surveillance of senior technical experts.

In the matter of finance the practice has been for the Government of India to make available the money required for capital expenditure, and Indian railways have thus had the full benefit of the credit of the Government of India. There is also the obverse of the picture when the financial difficulties of the Government may have their repercussions on railway finance. But the arrangement, in the light of many years of prosperity and adversity, has worked to the mutual benefit of both railways and the Government. Indian railways started more than 25 years ago towards making full provision for depreciation calculated on the basis of estimated lives of the assets. They have maintained substantial balances in the depreciation reserve fund, the development fund and the revenue reserve fund. In short, the type of organisation for control on Indian railways compares quite favourably with that in other countries when viewed against the background of far-reaching reforms carried out while dealing with the host of difficult problems which came up in quick succession following the second world war and the partition.

The salient features of the Indian railway budget as presented by the Minister to Parliament on February 18, 1953 are summarised below:—

	1951-52 Actual	1952-53 Budget	1952-53 Revised Estimates	1953-54 Budget
	(In Million Rupees)			
Gross traffic receipts ..	2,908.2	2,821.6	2,695.5	2,722.8
Working expenses	1,934.5	1,879.3	1,891.0	1,912.0
Net miscellaneous expenditure	47.2	67.6	68.6	70.0
Appropriation to depreciation reserve fund	300.0	300.0	300.0	300.0
Total	2,290.7	2,246.9	2,259.6	2,282.2
Net railway revenues	617.5	575.7	435.9	440.8
Dividend to general revenues	334.1	340.0	341.1	347.7
Net surplus	283.4	234.7	94.8	93.1

It will be noticed that against the surplus of Rs. 234.7 million estimated May 1952 in the budget of 1952-53 the surplus now anticipated is Rs. 94.8 million only. The decrease in earnings is mainly accounted for by a fall of Rs. 101.4 million under passenger earnings and Rs. 11 million under goods. There was, at the same time, an increase of Rs. 11.6 million in working expenses.

Despite this decline in railway prosperity in 1952-53 the pace of rehabilitation and development of rail facilities has not only been maintained but is being accelerated during 1953-54. Capital budget of railways for 1953-54 has been placed at Rs. 796.1 million against Rs. 767 million in the revised estimate for 1952-53.

On the occasion of the centenary celebration of Indian railways on April 16, 1953, Premier Nehru justly affirmed: "These hundred years have seen many changes and our railways have developed as a great national undertaking serving the people. I hope that they will progress further and will ever keep before them the ideal of service to the people to whom they belong."

JAPANESE ECONOMIC REPORTS

Outline Survey of First Half 1953 Economy

In its Seventh White Paper, the Economic Counsel Board stated that the Japanese business in 1952 could be called a 'consumption boom' based on the Korean War boom; and now they have made public their survey of economic conditions during the first half of 1953, of which salient features are:

1. Disregarding the rise of commodity price peoples consumption went up to a still higher level during the period under review, if not particularly so sharply as in 1951/52. The consumption level in June attained 92 percent of the 1934/36 level, which is the new post-war high only to be outtopped by that in December last year.

2. Industrial production, which did not show much change in 1952, turned active this year. Production increase was witnessed in consumer goods and in capital goods. Productions of high-class durable consumption goods like radios, electric fans, watches, cameras increased.

3. Due to the accelerated growth of consumption, import was greatly increased. Export, however, did not im-

prove. Although special procurements are considered to have maintained last year's level, the inactive overall export made the Japanese international balance of payment unfavorable by US$140 million during the first half of 1953, which scored a favorable balance of $325 million for the like period last year.

Index of Principal Economic Activities
(1934-36 = 100)

1953	Consumption Level	Average Wage	Industrial Production	Wholesale Price (Tokyo)	Consumer Price (Tokyo)
Jan.	80.9	28,002	131.2	34,880	27,130
Feb.	81.6	27,027	136.4	35,110	27,470
Mar.	83.8	26,327	153.6	35,110	27,540
Apr.	82.6	26,492	158.1	35,020	28,030
May	83.6	27,054	161.5	35,050	27,930
June	91.7	—	161.0	35,200	28,330

International Receipts and Payments
(in dollars)

1953	Total Receipts	Total Payments	Balance
Jan.	156,439,093	196,694,929	— 40,255,836
Feb.	154,071,498	154,684,330	— 612,832
Mar.	168,568,981	169,817,525	— 1,248,544
Apr.	172,107,301	207,211,568	— 35,104,267
May	172,240,878	208,598,900	— 36,358,022
June	188,144,627	214,167,036	— 26,022,409
Total	1,011,572,378	1,151,174,288	—139,601,910

Export Validation in July

Export contracts validated in July amounted to $97,539,000 in terms of U.S. dollars, showing a 5 percent decline from the previous month. When broken down by the areas, $38,975,000 for the dollar area, $26,418,000 for the pound area, and $32,146,000 for the open account area, all decreasing 5, 7.8, and 2.6 percent respectively from the similar figures in June.

Such an all-round decrease in the nation's export is said to be accounted for chiefly by: A) stoppage of shipments of fertilizer to the Republic of Korea and whale-oil to West Germany, and B) sharp decline in export of cotton products, chemicals, oil and fats, and machinery, especially cotton products to the open account area.

With this adverse trend in the export, merchants are not discouraged, and they express the opinion that the decrease should be construed as a temporal or seasonal phenomenon, which cannot last long. Generally speaking, export to the open account area was not so bad when compared with that to the pound area, which did not show any noticeable sign of improvement expected from the eased-up import restrictions of the British Commonwealth. The most conspicuous loss in the export to the dollar area is $2,582,000 caused by fertilizer and some other goods denied to go to Korea, and other big items are decreases of $410,000 and $430,000 to Belgium and Canada, respectively. Export to the United States and Okinawa, however, improved by $1,420,000 and $350,000 respectively as compared with the previous month.

On the table of commodities, increase over the corresponding figures of June is observable with the food and beverages, raw silk (mainly to the open account area including France, Netherlands, West Germany and Sweden), chemical fiber (mostly to Indonesia and Korea), and sundries to the dollar area. The gain in these categories, however, is more than counterbalanced by the sharp decline in machinery (34.7% drop); oil and fats (80% drop); chemicals (74% drop); cotton products (11% drop); and non-ferrous metals (63% drop).

The recapitulation is as follows:

(in $1,000)

	July	June	Jan.-July
Dollar Area	38,975 (39 %)	41,040 (40 %)	289,267 (28 %)
Sterling Area	26,418 (28 %)	28,672 (28 %)	185,041 (29 %)
Open Account Area	32,146 (33 %)	33,020 (32 %)	184,341 (43 %)
Total	97,539 (100 %)	102,732 (100 %)	658,649 (100 %)

	July	June	Jan.-July
Food & Beverages	12,278 (12.6%)	11,419 (11.1%)	75,410 (11.4%)
Textiles:	41,742 (42.7%)	41,008 (39.9%)	237,567 (36.1%)
Cotton	19,504 (20.0%)	21,625 (21.0%)	115,999 (17.6%)
Raw Silk	3,949 (4.0%)	2,583 (2.5%)	23,216 (3.5%)
Silk	2,298 (2.4%)	2,086 (2.0%)	11,850 (1.8%)
Artificial fiber	13,031 (13.3%)	12,126 (11.8%)	72,634 (11.0%)
Wool	2,184 (2.2%)	1,609 (1.6%)	7,579 (1.2%)
Others	776 (0.8%)	979 (1.0%)	6,289 (1.0%)
Wood Products	3,041 (3.1%)	2,689 (2.6%)	17,161 (2.6%)
Paper Products	944 (1.0%)	966 (0.9%)	6,048 (0.9%)
Animal & Vegetable Products	1,462 (1.5%)	1,666 (1.6%)	12,050 (1.8%)
Chemicals	3,057 (3.2%)	5,346 (5.2%)	25,426 (3.9%)
Oil & Fats	618 (0.6%)	2,963 (2.9%)	12,042 (1.8%)
Non-Metalic Minerals:	5,503 (5.6%)	5,810 (5.7%)	31,857 (4.8%)
Potteries	3,525 (3.6%)	3,556 (3.5%)	20,664 (3.1%)
Others	1,978 (2.0%)	2,254 (2.2%)	11,193 (1.7%)
Metals:	14,743 (15.1%)	15,291 (14.9%)	122,367 (18.6%)
Ferrous	13,407 (13.7%)	13,105 (12.8%)	105,286 (16.0%)
Non-Ferrous	1,336 (1.4%)	2,186 (2.1%)	17,081 (2.6%)
Machinery	7,003 (7.3%)	9,438 (9.2%)	76,225 (11.6%)
Miscellaneous	7,148 (7.3%)	6,136 (6.0%)	42,496 (6.5%)
Total	97,539 (100 %)	102,732 (100 %)	658,649 (100 %)

Favorable Cotton Textile Export

At the beginning of the year, Government made a tentative prediction that export of cotton textile could not escape from being affected by the world-wide trend of inactive demand and its total volume would not exceed 750 million sq. yards of last year. In spite of such a prognostication, shipments of cotton textile for foreign market showed an opposite trend and began to increase steadily, so much so that the Ministry of International Trade and Industry attempted a revision of their former forecast and announced that cotton textiles to be exported from January through December this year will amount to 850 million sq. yards, showing 100 million sq. yards over the original prediction.

Month-to-month breakdown of cotton textiles exported during the seven months from January through July this year is as follows:

	(in 1,000 sq. yards)	(in Y million)
Jan.	49,537	3,261
Feb.	64,960	4,232
Mar.	70,814	4,756
Apr.	65,185	4,464
May	64,830	4,683
June	73,982	5,266
July	75,968	5,485
Total	465,276	32,147

The unexpected improvement of the cotton textile export this year will be accounted for by the following reasons: a) Export prices are more or less stabilized. b) Export incentive policy linking the import of raw cotton with the export of cotton goods began to work successfully. c) Some cotton goods importing countries like Indonesia or Thailand, which suppressed their importation of cotton goods for the last year lifted their ban on them. d) Export to the pound area began to improve, thanks to the easing-up of the import restriction of the countries in that area. e) New market for cotton goods has been discovered in the dollar area.

500 Million Yen Credit for Pakistan

As an expression of Japan's cooperation with the efforts being made in the economic development of the South-East Asiatic area, the Tokyo Government has been planning to contribute to the agricultural development in Pakistan, and this has recently been decided to be made in the form of a Y500 million credit to that country through the Export and Import Bank of Japan. The credit will be utilized, as is suggested by the Pakistan side, for the purchase of agricultural implements in Japan. The contemplated Y500 million credit is supposed to work as follows: a) The credit will be available for the period of three or four years for the purchase of agricultural implements from Japan. b)

The credit thus supplied will, in principle, be refunded mostly by rice produced in Pakistan.

Jet Engine Industry

The Ministry of International Trade and Industry have decided to invest Y1,000 million in the Japan Jet Engine Mfg. Company, which has recently been established with capital of Y40 million supplied by four private aircraft manufacturing companies in Japan. In order to obtain the necessary fund, the Ministry will get this amount included in the national budget for the next fiscal year. The Jet Engine Mfg. Co. has been started with the intention of turning out jet engines in three years, for which it is said they will need as much as Y2,000 million during the three years. For the current year the Government is to supply Y40 million to help the research work of the company. By way of encouraging and facilitating their attempt, Y2,000 million is to be financed by the Government. This will be the first case for the government to invest in the private manufacturing industry. The company may continue to keep its present status as a private concern, or may be reorganized as a governmental institution.

Silk Cocoon Crop

From the result of their survey of the working condition of sericultural farmers throughout the country, the Ministry of Agriculture and Forestry made public their estimate of the summer and fall crop of silk cocoon. The crop will be 5,696,754 kan (1 kan = 8.333 lbs.) showing a 7.3 percent improvement over the corresponding crop last year. The number of the farming households, which are engaged in the sericultural industry, is 523,912, which increased by 2.3 percent from one year ago. Of the total of 5,696,754 kan, 5,040,368 kan will be good cocoons and 616,120 kan, doupion and others. The remaining 40,266 kan will be saved for the eggs to be hatched for the next crop.

Prefectures that are expected to raise more than 100,000 kan of cocoons for the season are:

(in 1000 kan)

Prefectures	Crop
Gumma	1,040
Nagano	803
Saitama	639
Fukushima	442
Yamanashi	371
Yamagata	328
Niigata	307
Ibaraki	206
Miyagi	105
Others	1,455
Total	5,696

Rolling Stock

In connection with the national budget for the current fiscal year, the Government Railroad Corporation has been contemplating the purchase of rolling stock with the intention of further improvement of their services. According to their plan, they are to place large orders covering 980 units of rolling stock amounting to more than Y6 billion in total with 19 manufacturing companies. Breakdown of the expected orders from the Corporation will be as follows:—

72	3rd-class passenger coaches
105	passenger coaches to be remodelled
685	freight cars
5	Russel snow-plows
100	gasoline cars
13	electric locomotives
980	Total

New Export Industry of Japan: Motion Pictures

Japan's motion picture producers who had hitherto had their eyes mainly on the domestic market recently gained confidence in their ability to produce films for export. Many persons connected with the movie industry visited Europe and the United States on inspection trips last year and early this year and these trips have contributed to their confidence in export. But it was when the artistic excellence of "Rashomon" and some other Japan-made films was recognized that the way was opened up for the export of Japanese motion pictures. Encouraged by this success and confirmed by the recent inspection trips, the movie producers launched export efforts by organizing themselves into the Promotion Council of Motion Picture Industry.

The Association has a plan to hold an Asian motion picture contest and preparations for it are now under way. Masaichi Nagata, president of the Daiei Motion Picture Company, visited Formosa, Manila, Djakarta, Singapore, Bangkok, Hongkong and other cities in Southeast Asia for consultation with movie producers there on the planned motion picture contest.

Asia, including Japan, has been a good market for European and American motion pictures, especially for the Hollywood movie industry. Japanese films used to be exported to the above-mentioned Asian regions, though the number was small. It is expected that the Asian movie contest will prove a great stimulus for the export of Japanese movies to Asian countries.

Last year, five Japanese pictures were exported to Asian countries and the price was $6,500 for one picture. Motion Picture Association of Japan expects that they will import much more if the contest ends successfully.

In prewar days, Hongkong, Indochina, Thailand and Burma used to import Japanese movies. After the war, Southeast Asia has been the second biggest importer of Japanese films, following the United States.

Formosa is now restricting the import of Japanese motion pictures to 24 a year. Because of this restriction, every Japanese picture imported is being enthusiastically received by the movie fans there. Formosa is expected to become one of the best markets for Japanese motion pictures, ranking with Hongkong, Indochina, Thailand and Burma.

About 350 films a year, or most of the Japanese motion pictures showing in the homeland, are being sent to the Okinawas. The Okinawas form virtually part of the Japanese movie industry's film distribution system. But the payment is made in dollars. Korea now prohibits the import of Japanese motion pictures but Korea may become one of the best customers as the new Japan-Korea trade agreement, if concluded, will probably include motion pictures as one of the trade items.

Japanese motion pictures thus imported by foreign countries have been mostly shown for viewing by Japanese residents there, though in Southeast Asian countries, the local populace also admires them. Americans and Europeans started to pay attention to Japanese motion pictures only after "Rashomon" won the grand prix in the Venice international movie contest.

But the credit for the success of Rashomon is due to Italian agents who did not spare efforts in introducing and recommending the Japanese picture. As the result of this success, the Japanese producer obtained royalties for the overseas exhibition of Rashomon without much effort. Japan later sent many other motion pictures to international contests. Though their artistic value was almost equal with Rashomon, they could not achieve such big success. Only Rashomon could earn royalties amounting to Y200,000,000.

It is undeniable that some of the export products were of poor quality. But most of them were excellent from the artistic point of view. Lack of zeal and technique in publicity on the part of Japanese movie producers was responsible for the failure of Japanese pictures in the export market.

Hongkong Manufactured Goods

Exported during August 1953

During August exports of commodities, including minerals, manufactured or produced in Hongkong, recorded separately in the Trade Classification List, amounted to a declared value of $43,910,315 as against a total of $58,816,904 for the previous month and $71,739,365 for June, according to details issued by the HK Dept. of Commerce & Industry. The bulk of this decrease can be attributable to Indonesian import restrictions. The principal items (in million dollars) with comparison for July, 1953 and June, 1953 are as follows:—

	August 1953	July 1953	June 1953
Cotton piecegoods	7.8	16.1	21.5
Shirts	6.6	6.4	4.8
Cotton yarn	5.8	6.4	9.5
Footwear	4.3	4.6	2.9
Cotton singlets	4.0	6.6	8.4
Enamelled household utensils	3.7	4.0	3.2
Electric torches	3.0	3.6	3.4
Preserved fruits	1.5	1.9	1.6
Towels	1.5	1.8	1.2
Iron ore	0.7	0.7	0.5
Prepared paints, enamels & mastics	0.7	0.6	0.6

Certificates of Origin and Imperial Preference—Certificates of Origin and Imperial Preference Certificates totalled 4,055 and 2,679 respectively and with 216 forms 120A (Malaya), 281 Comprehensive Certificates of Origin and 513 Tourist Certificates reached a grand total of 7,744. This was a decrease of 766 from the previous month, but was the second highest monthly figure for this year.

Principal increases noted were:— rubber shoes by $569,546; flashlights by $530,883; socks by $423,695; knitted wear by $402,529. Notable decreases were cotton piece goods by $627,151; pressure lanterns by $329,427; embroidery by $204,297; canned foodstuffs by $113,441.

Fees collected for Certificates of Origin and Imperial Preference totalled $20,275 and $13,395 respectively and these with Form 120A (Malaya) $1,080, and Comprehensive Certificates of Origin, $7,025, and Tourist Certificates, $2,565, made a grand total of $44,340, the second highest monthly figure for this year.

Certification of Goods for the United States—One application for a Comprehensive Certificate of Origin was refused owing to the fact that it was presented by a canner, not a manufacturer. Of the 281 Comprehensive Certificates of Origin issued, hardwood furniture, ivory ware and silk garments were the chief commodities. Of the 513 Tourist Certificates, hardwood furniture, silk garments and silk piece goods were the main purchases.

Further discussions with Mr. George F. Hazard, Special Assistant to the Director, Foreign Assets Control of the United States Treasury, led to agreement on procedure for the shipment of bean curd and rice sticks, oysters and oyster sauce and cotton wearing apparel, i.e., men's cotton shirts, women's garments (whether or not embroidered) including blouses, nightgowns, undergarments and aprons, and children's articles including feeders, sunsuits, bed sheets and dresses.

Factory Inspections—A total of 366 factory inspections were carried out during the month, of which 270 were spot and routine checks on account of exports to the United States, the balance being for ordinary Certificates of Origin and Imperial Preference Certificates. Fees collected for inspections amounted to $1,823.75.

EXPORTS OF HONGKONG PRODUCTS

As in Trade Returns for August 1953, with Cumulative Totals for the Year

	Aug. 1953 $	Jan./Aug. 1953 $
United Kingdom	3,450,560	21,734,903
Australia	1,166,864	4,520,590
Canada	136,052	2,818,585
Ceylon	680,424	4,380,383
India	299,341	6,361,604
Malaya	5,296,747	47,429,078
New Zealand	55,534	271,698
North Borneo	397,463	2,709,138
Pakistan	2,837,362	15,348,409
South Africa	199,014	2,470,581
West Africa (Br.)	1,998,721	10,596,926
East Africa (Br.)	2,114,212	9,399,687
Central Africa (Br.)	724,341	6,036,630
British West Indies	446,591	4,212,124
British Oceania	357,020	1,895,130
British Common., Other	290,106	5,849,709
Egypt	40,266	46,213
Africa, Other	936,342	5,399,016
U.S.A.	711,440	6,567,776
Central America	478,712	4,131,368
Brazil	—	24,934
South America, Other	569,850	2,709,952
Burma	1,240,612	10,721,994
China (excluding Formosa)	39,179	225,808
Formosa (Taiwan)	138,931	3,115,953
Indochina	94,020	2,700,951
Indonesia	6,708,416	171,116,687
Japan	829,816	5,170,965
Korea, South	130,670	5,243,254
Macao	374,386	3,074,788
Philippines	1,457,918	12,122,174
Thailand	8,660,662	46,932,239
Middle and Near East	259,988	1,955,459
Central Asia	3,712	30,354
United States Oceania	124,375	1,573,181
Oceania, n.e.s.	149,526	1,031,658
Belgium	88,221	1,118,590
Denmark	140,590	908,397
France	17,350	130,396
Germany (Western)	400	54,251
Italy	32,875	142,271
Netherlands	95,197	315,212
Norway	12,960	239,839
Sweden	111,167	788,050
Switzerland	7,226	128,753
Turkey	11,850	33,043
Europe, Other	306	85,649
Total	43,910,315	433,874,350

Hongkong Products

Certificates of Origin, etc., Issued

1953	Certificates of Origin	Imperial Preference Certificates	Comprehensive Certificates of Origin	Tourist Certificates	120A	Certified Copies and Alterations	Total
January	2,283	2,061	2	—	503	451	5,300
February	2,089	1,560	164	—	308	560	4,651
March	2,478	2,834	305	—	482	707	6,806
April	3,199	2,445	234	—	359	693	6,930
May	3,566	2,383	261	54	368	723	7,355
June	2,587	2,729	260	233	376	748	6,933
July	4,060	2,842	252	208	407	741	8,510
August	3,784	2,438	281	513	216	512	7,744

HONGKONG STATISTICAL REPORTS

July & January-July 1953

The following statistical information is issued by the HK Govt. for July 1953. The figures for June are contained in the **Review** for September 10 (Vol. XV, No. 11).

Vital Statistics—Births registered in July, 6267 (Chinese 6195, non-Ch. 72). Monthly average of births: 1952, 5998 (Ch. 5931); 1951, 5708 (Ch. 5651). Total births Jan.-July: 38,160 (Ch. 37,723, non-Ch. 437).

Deaths registered, 1655 (Ch. 1641, non-Ch. 14). Monthly averages: 1952, 1622 (Ch. 1608); 1951, 5708 (Ch. 5651). Total Jan.-July: 11,158 (Ch. 11,060; non-Ch. 98).

Slaughterhouse—Animals slaughtered 48,315 (swine 47,058). Monthly averages: 1952 57,591; 1951 51,467. Total Jan.-July 1953: 397,844 (swine 388,888).

Vegetable Market—Vegetables marketed at Govt. Wholesale Vegetable Market, Kowloon, 4519.29 tons. Monthly averages: 1952 3853 tons; 1951 3315 tons. Total Jan-July 37,822.52 tons.

Fish—Fish marketed 1916.6 tons. Monthly averages: 1952 2860 tons; 1951 2513 tons. Total Jan.-July 17,785.9 tons.

General Post Office—Revenue in July $1,590,499 (stamps $1,301,364, receipt stamps $198,900). Monthly averages: 1952 $1,357,181.89 (stamps $1,100,452.03); 1951 $1,278,886. Total revenue Jan.-July $10,595,441.55 (stamps $8,663,295.60; receipt stamps $1,331,028).

Cement—Output of cement 6540 metric tons. Monthly averages: 1952, 5772 m. tons; 1951, 5970 m.t. Total output Jan.-July 34,836 m.t.

Building—New building construction in July, 74 buildings costing $6,815,636 with site work $48,189. Average monthly cost of buildings: 1950 (Apr.-Dec.) $9.8 million; 1951 (year) $6.5 m.; 1952 $10.8 m. Total Jan.-July, 711 buildings costing $61,248,190 with site work $2,215,845.

Vehicular Traffic—Number of vehicles & drivers licensed as at July 31, 1953:

Vehicles:	
Trams	117
Motor Cycles	1,077
Private Cars	11,747
Taxis	344
Public Hire Cars	282
Motor Buses	520
Public Commercial Lorries	1,398
Private Commercial Lorries	1,209
Govt. Cars & Lorries	776
Rickshaws (Private)	84
,, (Public)	853
Chairs	27
Tricycle (Goods)	788
Hand Trucks	3
Trailers	20
Drivers:	
Motor Drivers' Licences	41,302
Rickshaw & Tricycle Drivers	4,192
Hand Truck Drivers	14

Traffic Accidents & Casualties—Number of accidents in July, 756 (HK 354, Kowloon & NT 402). Monthly averages: 1952, 672 accidents; 1951, 571 accidents. Total Jan.-July 1953, 5214 (HK 2436, K & NT 2436).

Number of casualties, 361 (HK 133, K & NT 228). Monthly averages: 1952 303 casualties, 1951, 263. Total Jan.-July 1953: 2413 casualties including 51 fatalities (HK 947, K & NT 1466).

HK Building Construction in July 1953

	No.	Cost $	Site Work $
City of Victoria:			
Houses & Flats	6	416,000	—
Other (incl. Mixed Accommodation)	1	300,000	—
	7	716,000	—
Island Outside Victoria:			
Factories & Godowns	1	19,260	—
Houses & Flats	17	1,209,192	25,000
	18	1,228,452	25,000
Kowloon & New Kowloon:			
Factories & Godowns	5	110,600	—
Offices & Shops	25	425,599	—
Houses & Fats	19	4,334,985	23,189
	49	4,871,184	23,189
Summary:			
City of Victoria	7	716,000	—
Island outside Victoria	18	1,228,452	25,000
Kowloon & New Kowloon	49	4,871,184	23,189
Total for July 1953	74	6,815,636	48,189
Building Construction Jan.-July 1953:			
January	143	11,144,752	381,973
February	99	11,876,332	757,718
March	118	9,188,675	348,174
April	72	6,715,347	219,562
May	121	9,534,042	350,899
June	84	5,973,406	109,330
July	74	6,815,636	48,189
	711	61,248,190	2,215,845

HK Production of Electricity

	July Kw. Hrs.	1953 January-July Kw. Hrs.
Lighting	10,069,790	69,099,821
Power	14,711,468	93,957,678
Traction	1,065,900	6,995,400
Bulk Supply Consumers	12,630,057	74,800,415
Public Lighting	199,309	1,372,690
Total	38,676,524	246,226,004

Monthly averages:

	Kw. Hrs.
1952	32,614,390
1951	29,472,935
1950	24,458,527
1949	18,138,733

HK Gas Manufacture & Distribution

	July Cubic feet	1953 January-July Cubic feet
Domestic	37,798,500	307,781,600
Industrial	2,089,500	16,340,600
Public Lighting	2,942,900	20,696,800
Total	42,830,900	344,819,000

Monthly averages:

	Cu. Ft.
1952	47,767,592
1951	45,760,808
1950	40,951,217
1949	32,775,633

KOWLOON-CANTON RAILWAY (BRITISH SECTION)

	July No.	1953 January-July No.
Passengers: Local:		
Upward	133,461	1,149,281
Downward	125,065	1,023,957
Concession Tickets	19,140	149,385
Goods: Local:	Kgs.	Kgs.
Upward	4,248,850	34,152,710
Downward	14,163,740	132,284,930
Revenue: Passengers:	H.K.$	H.K.$
Local	245,568.40*	1,827,291.07‡
„ Goods:		
Local	129,149.00	1,145,522.20
Miscellaneous Receipts	76,386.88	743,169.63

* Includes $ 17,866.45 (Concession Tickets).

‡ Includes $140,262.30 (Concession Tickets).

HK Foreign Trade Conducted by Junks & Launches Under 60 Tons

	January-July 1953 Inward	Outward
Tonnage of Cargo: Junks	224,180	67,036
Tonnage of Cargo: Launches	8,023	804
Total	232,203	67,840
Tonnage of Vessels: Junks	394,285	393,337
Tonnage of Vessels: Launches	34,341	33,924
Total	428,626	427,261

HK Commercial Cargo Tonnages

	January-July 1953 Discharged Tons	Loaded Tons
Ocean-going Vessels	1,682,291	832,829
River Steamers	16,065	15,986
Total	1,697,356	849,815

HONGKONG'S SHIPPING

(Ocean & River Vessels over 60 Tons Net) Entering & Clearing the Port of Hongkong

Flag	1953 January-July Entered No.	Entered Tons	Cleared No.	Cleared Tons
British	1,522	3,055,694	1,538	3,065,377
American	124	637,599	125	637,929
Burmese	1	2,769	1	2,769
Chinese	180	82,587	176	80,373
Costa Rica	—	—	—	—
Danish	105	356,022	104	351,592
Dutch	116	530,352	111	521,927
French	22	130,693	23	131,604
Finnish	3	7,963	3	7,963
German	5	2,560	5	2,560
Greek	3	11,795	3	11,795
Hondurian	—	—	—	—
Indian	—	—	—	—
Indonesian	—	—	—	—
Italian	5	27,263	5	27,263
Japanese	172	430,219	170	430,131
Korean	1	4,856	1	4,856
Liberian	1	4,380	1	4,380
Moroccan	—	—	—	—
Norwegian	268	669,348	268	669,823
Pakistan	4	13,185	4	13,185
Panamanian	96	161,113	98	172,331
Philippine	41	85,867	43	86,251
Polish	—	—	—	—
Portuguese	6	23,174	6	23,174
Swedish	58	172,473	57	168,602
Swiss	—	—	—	—
Thailand	4	5,840	4	5,840
Turkish	—	—	—	—
U.S.S.R.	2	3,518	2	3,518
Total	2,739	6,419,270	2,748	6,423,243

HONGKONG'S TRADE WITH OTHER COUNTRIES IN EAST ASIA

	Imports July $	Imports July % of Total Trade	Imports 1953 January-July $	Imports 1953 January-July % of Total Trade	Exports July $	Exports July % of Total Trade	Exports 1953 January-July $	Exports 1953 January-July % of Total Trade
Burma	11,567	.003	32,786,797	1.35	3,851,198	1.75	21,558,221	1.22
Ceylon	1,001,954	.33	3,304,504	.14	1,353,670	.62	9,404,585	.53
Indochina	1,360,779	.44	25,141,263	1.03	2,563,081	1.16	22,817,478	1.29
India	5,358,577	1.75	31,268,078	1.29	2,272,893	1.03	12,943,948	.73
Pakistan	12,061,683	3.94	69,766,847	2.87	2,474,928	1.13	13,577,617	.77
Malaya	15,095,935	4.93	109,086,646	4.48	28,946,165	13.16	214,182,629	12.11
Philippines	485,266	.16	5,984,087	.25	7,529,750	3.42	38,079,296	2.15
Thailand	25,082,006	8.19	175,995,976	7.23	22,413,053	10.19	106,936,956	6.05
Indonesia	2,509,351	.82	18,483,481	.76	40,416,716	18.38	284,683,706	16.09
China (excl. Formosa)	64,382,463	21.02	549,404,158	22.58	26,463,222	12.03	390,508,811	22.08
Formosa	2,579,418	.84	55,452,735	2.28	7,117,926	3.24	58,524,462	3.31
South Korea	1,262,054	.41	7,400,962	.30	5,361,583	2.44	27,895,390	1.58
Total Trade of Hongkong	306,302,649	100	2,433,159,184	100	219,902,929	100	1,768,867,332	100

Hongkong's Imports & Exports of Selected Commodities

January to June 1953

Cottonseed Oil

	1953 January-June Cwt.	$
Imports		
Total	121,827	9,614,654
China (ex. Formosa)	121,785	9,606,914
Exports		
Total	94,827	7,732,354
United Kingdom	70,540	5,711,220
Netherlands	17,598	1,477,456

Groundnut (Peanut) Oil

Imports		
Total	201,694	22,434,945
China (ex. Formosa)	125,461	13,717,377
India	58,776	6,581,566
South Africa	10,312	1,198,687
Exports		
Total	64,587	6,544,459
Belgium	34,713	3,297,427
Netherlands	15,969	1,469,193
Macao	8,148	967,921

Rapeseed Oil

Imports		
Total	90,037	7,013,646
China (ex. Formosa)	90,037	7,013,646
Exports		
Total	82,374	6,969,932
Italy	55,995	4,888,703
Netherlands	25,055	1,966,953

Soyabean Oil

Imports		
Total	118,445	9,031,674
China (ex. Formosa)	118,445	9,031,674
Exports		
Total	123,912	9,946,136
Netherlands	57,842	4,661,646
Italy	29,763	2,321,530
African Countries	30,229	2,394,390

Teaseed Oil

Imports		
Total	222,054	18,949,195
China (ex. Formosa)	222,054	18,949,195
Exports		
Total	200,321	17,983,282
United Kingdom	42,905	3,726,784
Africa	46,290	3,978,590
W. Germany	30,220	3,023,760
Italy	50,978	4,464,031
Netherlands	29,924	2,789,743

Tung Oil (Woodoil)

Imports		
Total	152,710	21,053,765
China (ex. Formosa)	152,710	21,053,765
Exports		
Total	141,728	20,191,338
United Kingdom	69,641	9,614,619
Australia	15,688	2,289,051
Canada	6,193	940,222
Japan	29,503	4,469,526

Beans

Imports		
Total	858,874	31,254,561
China (ex. Formosa)	846,405	30,712,614
Exports		
Total	566,844	22,081,919
Ceylon	64,004	2,328,110
Malaya	200,823	8,246,359
Formosa	179,217	6,422,185
Japan	73,642	2,928,056

Soyabeans

Imports		
Total	154,787	5,806,559
China (ex. Formosa)	154,689	5,802,407
Exports		
Total	365,760	14,264,037
Malaya	46,092	1,886,489
Formosa	53,873	2,037,877
Japan	217,707	8,213,555
S. Korea	39,661	1,750,135

Sesamumseed

Imports		
Total	406,346	20,660,104
China (ex. Formosa)	403,461	20,553,291
Exports		
Total	382,439	19,859,073
Japan	115,252	6,092,175
Italy	162,095	8,145,226
Netherlands	36,929	1,895,200

Cassia

Imports		
Total	110,062	5,538,198
China (ex. Formosa)	97,509	4,852,548
Exports		
Total	120,888	8,683,122
India	56,786	2,988,329
USA	23,043	3,556,324

Beet & Cane Sugar, Refined

Imports		
Total	1,071,460	39,012,020
Formosa	936,641	33,872,338
East Europe	88,985	3,355,776
Exports		
Total	1,077,557	41,708,343
Malaya	153,583	5,886,755
North Borneo	143,525	5,138,812
Japan	631,735	24,131,804
S. Korea	90,847	4,019,172

Beet & Cane Sugar, Unrefined

	1953 January-June Cwt.	$
Imports		
Total	1,627,389	49,206,762
C. Africa (Br.)	84,000	2,558,925
Br. Commonwealth	430,535	12,516,647
S. America	878,831	27,077,577
Formosa	222,081	6,642,664
Exports		
Total	1,351,796	41,745,702
Japan	1,318,457	40,872,762

Eggs in the Shell

	Gross	$
Imports		
Total	1,769,185	31,734,331
China (ex. Formosa)	1,685,288	29,505,921
Exports		
Total	500,377	10,689,702
Malaya	449,817	9,696,807

Bristles

	Lbs	$
Imports		
Total	868,613	14,169,002
China (ex. Formosa)	868,216	14,158,223
Exports		
Total	378,048	6,128,551
United Kingdom	245,996	3,794,452
Australia	17,513	638,748

Feathers (not ornamental)

Imports		
Total	1,865,562	4,660,653
Indochina	1,304,171	2,926,263
Exports		
Total	1,367,827	5,057,004
W. Germany	660,812	2,244,767
Norway	237,748	989,593

Tea, China

Imports		
Total	6,247,488	13,479,094
China	3,814,365	7,591,054
Formosa	2,393,286	5,806,732
Exports		
Total	4,852,357	14,891,923
Malaya	452,187	981,813
United Kingdom	284,891	685,507
Australia	265,509	687,498
Africa	2,902,291	10,576,210

Wool Tops

Imports		
Total	1,894,417	11,732,292
United Kingdom	1,754,938	10,702,848
Exports		
Total	2,126,696	14,202,789
China (ex. Formosa)	1,805,828	11,422,255
Formosa	103,126	1,142,010
Japan	204,242	1,554,325

FINANCE & COMMERCE

HONGKONG COMMODITY MARKETS

Dealings in the local commodity markets for the two weeks ended Sept. 26th were steady, although abnormally heavy rains hampered the movement of cargo. The further relaxation by the HK Dept. of Commerce & Industry under date of Sept. 17 of controls over the re-export of Japanese goods to Singapore was appreciated. On the other hand, merchants were concerned over the requirement by the Thai Govt. that as from Sept. 25 all imports into Thailand from Hongkong financed under the "import rate of exchange" must be covered by certificates of origin issued by the HK authorities.

The Mid-Autumn or Moon Festival fell on Sept. 22, causing a break in market dealings. As usual, the Peak Tramways ran late to cope with the huge crowds that went to the top to view the full moon shining over the harbour in all its beauty.

Survey for 2 weeks Sept. 14 to 26, 1953

Transactions in imported Cotton Yarn were slow during the period under consideration; locally-made yarn, however, was fairly active with supplying Indonesian requirements although these were limited by restricted import licences. Metals were quiet, except for a slightly increased demand from Taiwan. Industrial Chemicals showed an improvement as a result of import licences being issued by the mainland authorities to buyers from North and East China. Dealers from the Philippines, South Korea and Taiwan were in the Paper market, as well as buyers from China attracted by favourable prices for newsprint in reel. China Produce was brisk with sustained export demand, the principal items dealt in being: rosin (Japan, Taiwan, Indonesia); rhubarb (Indonesia); castor seed (Japan); perilla seed (Japan); linseed (Japan); garlic (Singapore, Philippines); brans (Singapore); dried chilli (Japan); bitter almond (Taiwan); cassia lignea (India, Pakistan); aniseed star (India, Europe); tussah silk (Japan); menthol crystals (Indonesia); gallnuts (Japan); raw silk (France); woodoil (Japan); rapeseed oil (Europe); soyabean oil (Europe).

HK Commodity Prices as at Sept. 26, 1953.

Cotton Yarn—HK 10s $850 per bale, 20s $1185 & $1230. Indian 26s $1230. Italian 32s $1510, 42s $1820. Egyptian 20s skein $1047.

Metals—Mild Steel Round Bars, Europe 40' length 5/16" dia. $43 per picul, ½" $40, ⅝", ¾", ⅞" $39; HK-made 20'-40' ¼"-¾" $38.50 per picul. Mild Steel Plates, Japan 4' x 8' 3/16" $47 per picul. Galvd. Iron Sheets, Japan 3' x 7' USSG24 58 cents per lb, USSG31 $5 per sheet. Aluminium Sheets, Japan 4' x 8' 99.5% alloy G16-G24 $2.25 per lb, Japan 1 x 2 metres 99.5% alloy G20 $2.20 per lb. Galvd. Iron Pipes Europe 18'-22' 1" dia. 75 cents per lb, 2½" $2.80, 3" $3.80, 4" $5.60.

Industrial Chemicals—Stearic Acid Powder, Australian 140-lb bag 64 cts per lb. Butyl Alcohol, German 190-kg drum $1.10 per lb. Calcium Hypochlorite, Japan 70% 50-kg drum 80 cts per lb. Gum Arabic, Soudan 100-kg bag 73 cts per lb. Shellac, Lemon, India No. 1 164-lb case $285 per picul. Sodium Nitrate, German 100-kg bag $28 per picul forward Oct. 19. Tanning Extract, Mimosa 1-cwt double bag 62 cts per lb.

Paper—Bond 22" x 34", white, Norway Sweden watermarked & brand name 60 gr 32-lb ream $24.20/$24.50 per ream; Central Europe ditto $23.20, C. Europe unwatermarked $22.50. Woodfree Printing 31" x 43", Austria/Czech/Netherlands 50 gr & under 43-48 ream 69 cts per lb, 60 gr & over 57-60 lb ream 68 cts, 65-75 gr 65-70 lb 68 cts, 85-95 gr 80-100 lb 65/68 cts. MG Cap 20 gr 17½-lb ream 25" x 44" Austria $9.80 per ream, Japan $8.80. Newsprint in reel, Norway 50-52 gr 31" 3¾ cts per lb. Newsprint in ream 31" x 43", Europe 50-52gr 50-lb ream $19.10 per ream. Duplex Board, Sweden 250gr 240-lb ream with brand name 31" x 43" $115 per ream, without name $112.

China Produce—Aniseed Star, Nanning 2q $145 per picul. Rice Bran, Hankow lq $24.30 per picul, Nanning $23.40. Wheat Bran, Tsingtao fine $21.50. Cassia Lignea in bulk $52.50 per picul. Gallnuts, Hankow selected $26 per picul. Garlic, Toasted, Kwangtung $100 & $75.50 per picul; Untoast-

HONGKONG INDUSTRIAL REPORT

For August & January-August 1953

Factory Registrations—Factories & workshops applying to the HK Dept. of Labour for registration during August totalled 41 (HK 11, Kowloon & New Territories 30); registration certificates cancelled were 11 (2 & 9); applications refused were 4 (1 & 3); illegal factories found & closed down amounted to 6 (3 & 3); registration certificates issued totalled 23 (9 & 14).

For the period January 1 to August 31 the figures were: applications received 284 (79 & 205); registration certificates cancelled 84 (21 & 63); applications refused 19 (12 & 7); illegal factories found & closed down 59 (22 & 37); registration certificates issued 176 (57 & 119).

The total number of factories & workshops registered as at Aug. 31 was 1596 (HK 516, K & NT 1080), while applications under consideration totalled 436 (122 & 314).

The following list shows factory registrations in August, giving the number of employees:

		M.	W.	Total
6	Metalwares	127	175	302
1	Weaving (Cotton)	158	52	210
2	Knitting	45	80	125
2	Biscuits & Confectionery	47	10	57
1	Torches	7	30	37
1	Garments & Shirts	16	20	36
1	Vermicelli	28	1	29
1	Glass	24	—	24
2	Bean Curd	19	2	21
1	Furniture	21	—	21
1	Laundry	18	—	18
1	Rubberwares	16	—	16
1	Ice Cream	11	4	15
1	Buttons	10	4	14
1	Sawmill	10	—	10
1	Engineering	9	—	9
1	Noodles	8	—	8
1	Canned Goods	7	—	7
1	Flour Mill	4	—	4
27		585	378	963

The 11 factories closed down in August comprised: 3 knitting, and 1 each lumber, mantle, electroplating, chemicals, metalwares, engineering, fishing net and flour mill.

NOTICE

THE HONGKONG & YAUMATI FERRY CO., LTD.

Notice is hereby given that an Interim Dividend of THREE DOLLARS per share on the Company's Issued Capital has been declared payable on the 26th October, 1953, free of tax.

Notice is also given that the Share Register of the Company will be closed from Monday the 19th October, 1953 to Saturday the 24th October, 1953, both days inclusive.

Dividend Warrants will be issued at the Registered Office of the Company, No. 144-148 Des Voeux Road, Central, 1st Floor, Hongkong, on and after the 26th October, 1953.

By Order of the Board,

LAU TAK PO,
Managing Director.

Hongkong, 23rd Sept., 1953.

ed, Chekiang $32. Gypsum, Hupeh white $11.50 per picul. Bitter Almond, Tientsin red large size $126.50 per picul. Hop Seed Tientsin old stock $59.50 per picul. Groundnut Cake, Thailand $42 per picul. Rosin, East River WW-grade $94 per quintal, AA-gr $93.50, West River WW-gr $94 per quintal, Wuchow 2q unrefined $45 per picul. Castor Seed Tientsin £52 per ton cif Japan. Sesamum, Unhulled, Indochina black $80 per picul, Indonesia white $76.50. Raw silk, Szechuan 20/22 denier F-grade $2800 per picul. Tussah Silk, Manchuria AA-gr $2480 per picul. Vegetable Oils: Woodoil, refined in bulk $115.50 per picul. Aniseed Oil 15 deg ord. qual. excl. container $530 per picul. Soyabean Oil, Japan refined $127 per picul. Groundnut Oil Indonesia 2q in drum $166 per picul. Sesamum Seed Oil, Tientsin in tin $225 per picul.

IMPORTS INTO THAILAND UNDER CERTIFICATE OF ORIGIN

A directive issued by the state-owned Bank of Thailand in Bangkok under date of Sept. 23 states that all imports from Hongkong (of Hongkong or non-Hongkong origin) as of Sept. 25 1953, must be covered by certificate of origin, if merchants wish to apply for foreign exchange from the government bank at the "import rate" to cover import payments.

The "import rate" of exchange is approved only for goods intended for domestic use or consumption.

The Thai Trade Commissioner in Hongkong states that while the HK Department of Commerce and Industry will issue certificates of origin for goods manufactured here, the Thai trade commissioner's office has been authorised by his government to endorse documents that certify goods of non-Hongkong origin and issued by either the chambers of commerce or any legitimate organisations (i.e. banking houses) in the Colony.

The Thai trade commissioner's endorsement is a prerequisite for applying at the Bank of Thailand for foreign exchange at the "import rate," but in no way should it be interpreted that once the endorsement is affixed on the import documents the applied foreign exchange will be automatically approved to the applicant.

According to the new Thai directive, the granted exchange is valid for the import of goods specified at time of application, and is not transferable. The balance of exchange not used up by the import merchant "must be sold back to the Bank of Thailand".

Until further notice, the Bank of Thailand's present "import rate" for sterling or dollar exchange is:—

Selling: 45 ticals to one £ sterling
16.75 ticals to one US$
Buying: 44.77 ticals to one £ sterling
16.67 ticals to one US$

Imports From Japan: The "import rate" for sterling exchange is not approved for goods imported from Japan. Japanese imports are conducted within the provisions of the recently renewed Japanese-Thailand trade agreement, with payments effected at what is called the "cover rate" which, he added, is about a little higher than the present "import rate."

Applications for the sterling exchange, according to the new directive, is approved for imports from a) Sterling bloc countries; b) countries where sterling is allowed to be received unofficially for exports to non-sterling areas.

Applications for the dollar exchange are approved by the government bank in Bangkok for imports from the following 17 countries: Bolivia, Canada, Colombia, Costa Rica, Cuba, Dominica Republic, Ecuador, Guatemala, Haiti, Honduras Republic, Mexico, Nicaragua, Panama, The Philippines, Salvador, USA and dependencies, and Venezuela.

Goods from Hongkong which are not eligible to receive exchange at the "import rate" may be imported into Thailand on exchange bought at Bangkok's free money market. Certificate of origin is still a prerequisite to effect entry of such imports.

HONGKONG COMPANY INCORPORATIONS

The following new private companies were incorporated in Hongkong during the week ended September 19, 1953:

The Glory Hotel, Limited—Keepers of hotel, restaurant, cafe, tavern, etc.; Nominal Capital, HK$500,000; Registered Office, No. 110, Soy Street, Kowloon; Subscribers—Li Jack Man, 20, Battery Street, Kowloon, Merchant; Li Man Chan, 2, Nanking Street, 1st floor, Kowloon, Merchant.

Maupin Moore Limited—Merchants, exporters and importers, refrigerators, etc.; Nominal Capital, HK$500,000; Registered Office, 501, Holland House, Victoria, Hongkong; Subscribers—James Houston Maupin, 6, Djalan Neglasari, Bandung, Java, Merchant; John B. P. Byrne, 10, Stanley Beach Road, Stanley, Hongkong, Incorporated Accountant.

Duval Limited—House furnishers, interior and exterior docorators for houses, etc.; Nominal Capital, HK$100,000; Subscribers—Valarie K. Breingan, 261, The Peak, Hongkong, Merchant; A. D. Breingan, 261, The Peak, Hongkong, Pharmacist.

WHEELOCK MARDEN & COMPANY, LIMITED

701/7 Edinburgh House, P.O. Box 85, Hong Kong
Cable address: WHEELOCK HONG KONG

FINANCE
SHIPPING
SHIPBUILDING
SALVAGE
REAL ESTATE
MERCHANDISING
INSURANCE
WAREHOUSING
AVIATION
MOTOR VEHICLES
TEXTILES

The Wheelock Marden Group have offices in New York, Tokyo, Yokohama, Kobe, Osaka, Shanghai, Singapore, London and principal cities in the U.K.

HONGKONG TRADE ENQUIRIES

The following trade enquiries are issued by the H.K. Dept. of Commerce & Industry for information and assistance to the local commercial and industrial community. This service is now being utilised, and assisted by certain Consuls-General and Trade Commissioners, and in this connection it is our pleasure to include in this issue trade information and opportunities kindly supplied by: Le Conseiller Commercial de France en Chine, 601 Jardine House, 14/16 Pedder Street; The Hon. Austrian Foreign Trade Representative in Hongkong, 323 Gloucester Building; Royal Danish Consulate, Hongkong Stock Exchange Building; Consulate General of the Netherlands, 26 Queen's Road Central, Hongkong; Italian Trade Commissioner, Room 901, Bank of China Building; and Hongkong Government Office, Grand Buildings, Trafalgar Square, London. All enquiries relevant to their respective data should be made to them direct. Interested parties are asked to contact enquirers direct, and **not** through the Department of Commerce and Industry. The enquiries are published in all good faith, and local concerns are advised to take the usual commercial precautions before transacting any business. The name of enquirers' bankers, where known, are included.

	Wish to:—
AFRICA	
Behr & Rowley, P.O. Box 4842, Cape Town, South Africa.	Export South African canned fish, canned jams, vegetables, fruits and sundried fish. Bankers:— Netherlands Bank of South Africa, Cape Town.
AUSTRIA	
Messrs. A. Karger, Wien VI, Liniengasse 53.	Contact interested parties in Hongkong, in order to export razor blades.
Dipl. Ing. Friedrich Mossboeck, Freistadt, Oberoesterreich.	Contact interested parties in Hongkong, in order to export school furniture.
Messrs. Grete Graef, Wien XIX, Brechergasse 4.	Contact interested parties in Hongkong, in order to export children's paper dolls.
Messrs. A. Kuehner & Sohn, Wien IX, Berggasse 29.	Act as traders in Hongkong doing business between Hongkong and Austria.
Messrs. Michael Wohlfartstaetter, Hard/Vorarlberg.	Contact interested parties in Hongkong, in order to export bone-lace.
Messrs. Pengg-Walenta, Graz, Koeroesistrasse 64.	Contact interested parties in Hongkong, in order to export chains.
BELGIUM	
Cogepa, 8, Rue de la Tribune, Brussels.	Import pure silk, artificial silk. (Quote F.O.B. Hongkong delivery terms and send watches).
BRITISH GUIANA	
Standard Radio & General Store, P.O. Box 463, 35 Robb & King Streets, Lacytown, Georgetown.	Represent manufacturers and exporters of all types of goods. Bankers:— Royal Bank of Canada.
CANADA	
Isadore Shapiro, 4605 Royal Avenue, Montreal.	Import textiles such as gloves, table-cloths, handkerchiefs, etc.
Grand Mere Knitting Co. Ltd., University Tower Building, Montreal, Quebec.	Import ladies' and children's seamless knitted wool gloves and mittens.
CHINA	
Messrs. Oversea Trading Co., 36, Peking Road, Tsingtao.	Export art linens, lace goods, handkerchiefs, human hairnets, straw braids, wool, vermicelli, groundnuts, sesame-seeds, beans, vegetable oils, hog bristles. Import chemicals, pharmaceuticals, dyestuffs, machinery, tools, hardwares, building materials, etc.
COLOMBO (CEYLON)	
Paul A. Leon & Sons, P.O. Box No. 868, Colombo (Ceylon).	Contact exporters or exporting factory of textiles and allied made-up goods.
DENMARK	
Danish Manufacturer.	Export patent black boards; and seek representatives in Hongkong.
FINLAND	
M.V. Ehanstrom Trading Co., Yrjonkatu 8 A 35, Helsinki.	Export finished products i.e., hard board, plywood, tea boxes, boxboards, Prefabricated Timber Houses, telegraph poles and sleepers.
FRANCE	
Atraco, Paris.	Export saffron in filament or in powder.
Unimaille, Paris.	Export men's & ladies' underwear.
Ets. Elevator, Paris.	Export "La Vibratuiles" cement tile making machines.
Ets. Maurice Gintz, Cluses.	Export Spirit-levels.
Ets. Marius Matheron, Marseilles.	Export clothes & dresses, second hand.
M. Jacques Emorine, Lyon.	Export specialities from Lyon, such as: textile products, mechanic tools, medical specialities, foodstuffs, etc.
Comptoir Lyon-Alemand Bonnin, Lebel & Guieu, Reunis, Paris.	Export Nitrate of Silver, salts containing silver.
Appareils Gachot, Enghien.	Export equipment for chemical and pharmaceutical industries.
Boutillier, Delaurier & Co., Cognac.	Export Cognac Brandy "Briand".
Specialities "Septodont", Paris.	Export Pharmaceutical products for dental use.
Ets. Cresca, Bordeaux.	Export canned goods.
Maison Blot Fils, Caudry.	Export Tulle for mosquito netting.
J. H. Secrestat Aine, Bordeaux.	Export Cognacs & Brandies, high class liquors & appetizers.
Ets. Metalbur, Creteil.	Export metallic office appliances.
Inter-Echanges, Paris.	Export precision instruments for surveying & topography.
Manufacture Meridionale de Berets, Mazement.	Export berets.
Soieries Henry Chavanis, Lyon.	Export high novelty clothes.
R. de Mauvaisin, Paris.	Export canned fish & vegetables.
Brandt & Fils, Paris.	Export electric lighting apparatus.
Biaugeaud, Bordeaux.	Export machine for gluing labels; Apparatus for drying fish skin & atomizing fish oil; Sieves for sieving groundnuts.
Ste d'Application des Textiles de Synthese, Paris.	Export Nylon textiles.
Georges Grenier, Bolay, Auxonne.	Export folding meter & double-meter scales.
Soieries Aigoud Levrat & Vial, Lyon.	Export novelties.
C.A.V.E.C., Union Haute-Garonne.	Export metallic furniture for household & hospital use; Import scrap iron & iron structure waste.
Lenoir Freres & Mernier, Freres Reunis, Levrezy.	Export bolts and nuts.
Union Chapeliere Francaise, Couiza.	Export hats & hoods.

	Wish to:—
A.M.C., Paris.	Export materials for building metal sheds, bungalows, workshops.
"Sufrimex", Paris.	Export radio receivers.
INDOCHINA	
M. Leleu, Huma Watch Ltd., Saigon.	Export wrist watches.
GUAM	
The Lees, Co., P.O. Box 14, Agana.	Contact exporters of sea foods i.e. mackerel, herring, crab, kippers, lobster, white clam meat, sword fish steaks, etc. Send samples by air quoting CIF Guam, FOB Hongkong. Represent Hongkong manufacturers of hand made goods, embroidered linen table cloths, Chinese designed china, and jade jewellery. Contact producers of leather watch bands, embroidered slippers and Japanese porcelain.
INDIA	
Asiatic Syndicate, P.O. Box 2527, New Delhi-5.	Export unmanufactured Indian Drugs particularly Cow Bezoar. Bankers:— The Punjab National Bank Ltd. Chawri Bazar, Delhi.
Sada Nand Batra & Co., P.O. Box No. 679, New Delhi.	Export animal products: e.g. skins, hair, sausage casings, & guts etc. Bankers:— National Bank of India Ltd., New Delhi.
ITALY	
Officine Meccaniche "Sacerdoti", Via Breda N. 120, Milano.	Export machinery—Cranes, Lorry-mounted cranes, Gears up to 5 yards diameter, Motor pulleys milling machines, Windlass, Winches, Capstans, Davits and Auxiliary Marine Machinery, Machinery for petrol wells.
Sugherificio Inngg. Bacci & Co., P.O. Box 109, Montecatini Terme.	Export composition cork discs for crown caps inlay.
Vetreria Ugo Dona e Figlio Pond Vetrai 61-62, Murano (Venezia.)	Export mosaic stones.
Giulio Fiocchi, Lecco.	Export cartridges of all kinds for shotguns.
Comm. Aldo Silvestrini & Figli, Mondolfo (Pesaro).	Export accordions.
JAPAN	
Meikosha Mfg. Co. Ltd., 27 Higashikawara-Machi, Nakaku, Nagoya.	Export watch repairing tools, movements & accessories.
Noguchi Bamboo & Wooden Mfg. Factory, 243 Kishigami Mura, Ito-Gun, Wakayama Ken.	Export bamboo & wooden products.
MADRAS	
C. Rangiahraju, 160, Govindappa Naick St. Madras-1.	Export Indian Aloes, belladonna roots & leaves, calumba root, chiretta herb, Costus root, Cinchona bark, (Hydnocarpus Oil), Digitalis leaves, Hyoscyamus leaves, Kurchi bark, Lobelia herb, Nardostachys jatamansi, Nux vomica seed, Red Sanders wood, Rauwolfia serpentina root, Senna leaves & pods, Senega root, Squills, Sarsaparilla root, Strammonium leaves, Tamarind fruit, Turmeric fingers & powder, Valerian root, Viburnum bark, Wild Cherry bark, Zedoary root & Madras Curry powder.
NIGERIA	
Bose Olutunfese & Brothers, 162, Igbosere Road, Lagos.	Import ladies' Georgette blouses, toy watches, buttons, buckles, shirts, sewing threads, cotton pearl, children's shoes, watch straps, torchlights, leather and rubber belts, jewellery, aluminumware.
Busari Akanbi, 26 Denton Bridge Street, Ebute Metta Nigeria, B.W.A.	Act as Agent for the sale of towels, clothing, sardines, salmon, hats, umbrellas, rubber toys, enamelware, hardware, shoes, flasks, confectioneries. Bankers:— Barclays Bank (DC & O), Ltd., Lagos.
Borogun Stores, 12B, ODO Oshun Street, Lagos.	Import all mercantile goods suitable for Nigerian markets.
Eurasia Association Commercial Agency, P.O. Box No. 171, Shagamu.	Contact manufacturers and Exporters of enamelware, porcelain, earthenware, glassware, tyres, fancy goods, watches, clocks, Magenta Crystals, Dyes, threads, hats, shoes, clothing.
PAKISTAN	
Shafi & Company Ltd., 1, Wiseghat Road, Dacca (East Pakistan).	Import drugs, pharmaceuticals, heavy & fine chemicals, laboratory reagents, microscopical stains, seras & vaccines, surgical instruments, hospital requisites, medical appliances, scientific instruments, laboratory glassware, precision instruments. Bankers:— National Bank of India Ltd., Narayanganj. Habib Bank Ltd., Dacca.
SINGAPORE	
Phoa Lim Kway, 85 Rangoon Road, G.P.O. Box 1084, Singapore, 8.	Export rattan mattings. Bankers:— Hongkong & Shanghai Banking Corp., Singapore.
SOUTH AMERICA	
Commercial Hispanica, P.O. Box 92, Caracas-Venezuela.	Represent exporters of general merchandise.
Consorcio Mercantil, P.O. Box 65, Caracas-Venezuela.	Represent exporters of Ceramic Sitting Happy Buddhas.
SWEDEN	
Mr. Ake Myrlov, The General Export Association, Vasagatan 12, Stockholm.	Contact importers of Swedish manufactures in Hongkong.
UNITED KINGDOM	
Semtex Limited (a Dunlop Company) Semtex House, The Broadway Welsh Harp, London N.W.9.	Export rubber flooring, marine deckings and industrial applications, stair nosings, covings or motifs. (Enquiries should be marked for the attention of Overseas Department).
Thomas Neary, Clayton House, 59 Piccadilly, Manchester, 1.	Import gloves, knitwear and hosiery.
V. J. Michael, Cannon Street House, 110 Cannon Street, London.	Import electrical accessories.

WESTERN GERMANY

The following list is of German manufacturers who wish to appoint agents. Any interested parties, it is suggested, should write quoting the individual key number to the "UBERSEE-POST", Nurenburg 2/Western Germany. International postage coupon for each key number should be enclosed.

V 3975 "Saugling" vacuum cleaners, wall and table fans, ventilators, f.h.p. motors.

V 3984 Gas, coal, electricity-heated ranges, large cooking installations for all types of heating.

V 3934 Pocket microscopes, thread counters, measuring magnifiers, opera glasses.

V 4106 VREDA box camera 6x9, substandard film viewer (pocket size).

V 4071 Chem. office supplies, carbon paper, ink, typewriter ribbons, stamp pads, stamping inks, printers' inks, Indian inks.

V 4088 Gablonz-type jewellery, buttons.

V 4039 Glof watch bands of leather.

TRADE FAIRS

UNITED KINGDOM

The National Radio Show will be held in Earls Court, London, from the 1st to 12th September, 1953. Particulars can be obtained from the Sales Manager (N.E. Asia), Regional Office, Far East, York Building, Chater Road, Hongkong.

NETHERLANDS

The "Royal Netherlands Industries Fair" will hold their 61st International Trade Fair in Utrecht (Netherlands) from September 1st to 10th, 1953.

HONGKONG TRADE OFFERS

H.K. Concerns	Offers
Hongkong & Shanghai Lace Co., 6 Hankow Road, Kowloon.	Manufacturers to export hand-embroidered table linens, napery, handkerchiefs, blouses, lingerie, art novelties, gloves, furniture. To import embroidery threads and lace, ribbons, perfumery, nylon stockings, ladies' shoes & brassiers.
Eastern Zone Industrial Co., Ltd., 47, Gloucester Road, 3rd Floor, Hongkong.	Wish to export embroidery, blouses, straw goods, woollen knitted goods, hair, human hair nets, shirts, pyjamas, rubber shoes, torches, Pongee silk, doylies, tuscany, China products, etc.
China Agricultural Produce Exchange, Room 4, Taiping Building, 2nd Floor, 16 Queen's Road, Central, Hongkong.	Suppliers of Alum (Wenchow), Groundnuts (Shantung), Cottonseed cake (East China), Gypsum, white (Ying Sing), Tussore Silk Waste (Manchuria), Pongee silks (Shantung), Broad Beans (Central China), Cotton Waste and other produce.
Foh An Co., Hongkong, 1st Floor, 81 Queen's Road, Central, Hongkong.	Wish to export to Japan & Continental countries Chinese products including various kinds of Oil Seeds, Beans & Nuts, egg products, silk filature, spun silk yarns, Tussore silks & Waste Silks, silk piece goods, Antimony ore, Talc etc. etc. Bankers:—The Mercantile Bank of India, Ltd., Hongkong.
Cathay Traders, 83, Connaught Road, Central, 3rd Floor, Hongkong.	Establish business connections with firms in Europe and Japan. Interested in importing seeds, beans, vegetable oils and raw silk.
Kai Fook Co., 53, Connaught Road Central, 3rd Floor, P.O. Box 2395, Hongkong.	Wish to export Hongkong manufactured electrical goods, especially electric fans and transformers to the British Empire.
Dah Dung Hong, Ltd., P.O. Box 793, 14-16, Pedder Street, Hongkong.	Wish to export "Lightex" brand rayon yarn and spun rayon piece goods to Singapore.
K. Ramchandani & Co., 23 Hollywood Road, 1st Floor, Hongkong.	Wish to export local merchandise viz. shirts, Hawaian shirts, torches, hosiery, textiles, leather goods, old newspapers, fire crackers, embroidery, enamelware, thermos flasks, etc. Wish to import textiles, hosiery stationery, watches, fountain pens, lighters and cigarette cases, fancy goods etc.
Mr. K. Tang, Tack Hing, 37 Queen's Road, Central, Hongkong.	Wish to contact peanut oil mills and vegetable oil mills in Malaya, Singapore.
Metropolitan Enterprise Limited, Room 501, Bank of China Building, 2A Des Voeux Road, Central, P.O. Box No. 2447, Hongkong.	Wish to export cotton yarn and textiles; rayon & silk piece goods; canvas & leather footwear; cotton towels, handkerchiefs & socks; underwear, shirts; aluminium, enamel & glass ware; vacuum flasks; umbrellas, mats & mattings; blinds; straw handbags; rattan ware; oil-bearing seeds of all kinds; vegetable oils; menthol crystals; camphor; cassia; aniseed stars; preserved fruits; bristles; hog & sheep casings; tobacco leaf; human hairs; fish food; rhubarb; licorice roots; ephera & other crude herbs; egg products of all kinds; laces, linen & embroideries; Chinese Tussah silk; silk Pongee.
Reda Trading Company, P.O. Box 2380, 408 China Emporium Building, Queen's Road, Central, Hongkong.	Wish to export nylon socks, needles, screws, watch bands, electric bulbs, flashlight bulbs, plastic buttons, ivory curios. Citronella oil, camphor powder and tablets. Spun silk yarn, Fuji silk, Tussah silk and waste, menthol crystals, peppermint oil.
Yu Wah Trading & Development Co., Ltd., 510-B, China Building, Hongkong.	Wish to export flashlights, flashlight bulbs, flashlight cells, automobile bulbs, anti-mosquito coil incense, pressure lanterns, hurricane lamps, nylon tooth brushes, hosiery, silk piecegoods, handkerchiefs, and other Hongkong manufactured products. Bankers:—National Commercial Bank and Netherlands Trading Society, Hongkong.
Lien Yi & Co., Room 411, Hongkong Hotel Building, Hongkong.	Wish to export cotton towels, strawbraid ware, bamboo baskets, woollen gloves.

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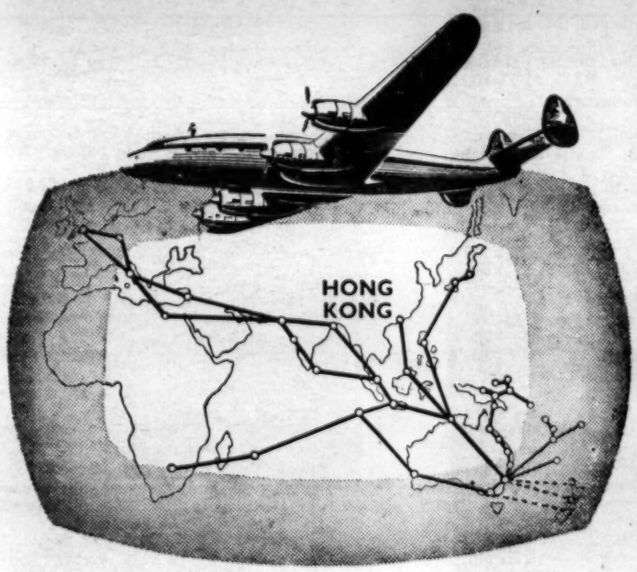

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Enquirer	Wish to:—
Marui Company Ltd., 98, Mitsu, Yao City, Osaka.	Import bristles. Export tooth brushes, hair brushes, cloth brushes, machine brushes, toys, etc.
Seishi Mizuguchi, 3-464, Asahata-minami, Shizuoka City.	Export Japanese tea, mushrooms.
Mizutani & Co., Ltd., 3, 8-chome, Ginza, Chuo-ku, Tokyo.	Export pianos.
Sanko Shoji K.K., 21, 2-chome Kitanakamichi-machi, Higashinari-ku, Osaka.	Export penicillin eye-lotion.
Yanojoko Gomei Kaisha, c/o Yokohama Silk Conditioning House, 57, 5-chome, Kitanaka-dori, Yokohama.	Import Sesame seeds.
Tokai Kogyo Kaisha, Ltd., P.O. Box 243 Higashi, Osaka.	Export shoe laces, elastic braids, tapes, cords, ribbon and all narrow fabrics.
Chiyoda Trading Co., Ltd., 30, Tosabori Funamachi, Nishi-ku, Osaka.	Export bamboo products and half finished goods, umbrella's handles, sticks, fishing rods.
Takemae Medical Instrument Co., 12, Kitanorimonocho, Kanda, Chiyoda-ku, Tokyo.	Export medical instruments, hypodermic needles and syringes, clinical thermometers, sphygomomenters and medical rubber goods etc.
Kokura Pharmaceutical Co., Ltd., 42, 2-chome, Komemachi, Kokura City, Fukuoka-ken.	Export medicines, household medicines, infant's foodstuff, sanitary wares, agricultural and industrial chemical, medical appliances, physical and chemical appliances. Bankers:— Bank of Tokyo, Kokura Branch.
Miyako Sports Co., Ltd., 16, Sakaemachi Kanda, Chiyoda-ku, Tokyo.	Import bamboo for making ski sticks.
The Japan Seed & Plant Co., 1872, Takinogawa, Tokyo.	Export flower, tree and shrub seeds.
Marutamaya Ogatsu Fireworks Co., Ltd., 951 Kurumagaeshi, Tama-mura Kitatama-gun, Tokyo.	Export firecrackers, sparklers, set-fire-works and fire-rockets, etc.
Charles E. Tuttle Co., c/o Japan Publishers Association, 1, 1-chome, Kasuga-cho, Bunkyo-ku, Tokyo.	Export books.

TRADE FAIRS

Date		Place
14 Dec. 1953. 12 Jan. 1954.	Eleventh Annual Exhibition of Hongkong Products.	Hongkong.
25 Dec. 1953. 9 Feb. 1954.	Second Pakistan Industrial Progress Fair.	Dacca, Pakistan.
December, 1953.	Trade Fair.	Penang, Federation of Malaya.
11-24 Feb. 1954.	Washington State Third International Trade Fair.	Seattle, Washington, U.S.A.
31 May - 11 June 1954.	Canadian International Trade Fair Exhibition Grounds, Toronto.	Toronto, Canada.

ELEVENTH ANNUAL EXHIBITION OF HONGKONG PRODUCTS

The Eleventh Annual Exhibition of Hongkong products arranged by the Chinese Manufacturers' Union will be held in the Colony from 14th December, 1953, to 12th January, 1954. Arrangements for the exhibition are now in hand and further details will be published as soon as possible. Last year's exhibition attracted a record attendance of over 800,000 persons, including many from overseas.

The exhibition will be closed to the general public during certain mornings to facilitate the inspection of products and the placing of orders by representatives of business firms, for whom admission will be granted on production of business cards. But at all times during the exhibition the Chinese Manufacturers' Union will have members available to conduct overseas business men around the exhibition and to assist them in making the contacts they desire.

Any overseas firms interested in sending representatives to Hongkong to see the exhibition can obtain advice and assistance on application either to the Chinese Manufacturers' Union or this department, e.g., a list of the products to be displayed will be provided, hotel reservations will be arranged, etc. Apart from the opportunity to study trade conditions on the spot and to make personal contact with manufacturers and exporters, Hongkong has considerable attractions to offer to the visitor, whether he comes as a tourist or a business man or both.

Main Hongkong Products for Information of Overseas Enquirers

Aluminium Ware	Bamboo and Bambooware	Batteries
Brushware	Bulbs, Electric Torch	Buttons
Camphorwood Chests	Canned Goods	Cement
Curios	Drawnwork and Embroideries	Enamelware
Fans	Feathers	Firecrackers
Ginger	Glass and glassware	Gloves
Hardware	Hats	Hurricane Lanterns
Jade and Ivory	Knitwear	Matches
Mats and Matting	Metals, Ferrous and Non-Ferrous	Military Equipment (Steel Helmets, Webbing, etc.)
Needles	Ores	Paints, Enamels, Lacquer
Pencils	Piecegoods and Garments	Plasticware
Rattan and Rattanware	Ropes	Rubber Footwear
Seagrass	Shirts and Shirting	Soap
Sports Goods	Sugar	Tea
Textiles (General)	Towels and Towelling	Wearing Apparel
Thread	Torches	Toys & Dolls
Umbrellas	Vacuum Flasks	Watch Bands
Yarns (Cotton)		

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